



Jordan Times

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جوردان تايمز يومية مستقلة عن المؤسسة الصحفية الأردنية بالرائي

Second Bakhtiar suspect indicted

PARIS (AP) — A man reportedly related to the late Ayatollah Ruhollah Khomeini was charged Saturday with complicity in the assassination of former Iranian Prime Minister Shapur Bakhtiar. Masoud Hendi, detained and interrogated by French police since Wednesday, was charged with complicity in the assassination and conspiracy in a terrorist enterprise. Judge Jean-Louis Brugiere, a special anti-terrorist prosecutor handling the Bakhtiar investigation, signed the charges against Mr. Hendi Saturday and ordered him confined in police custody. Mr. Hendi became the second person charged in the case. One of the presumed killers, Ali Rad Vakil, was arrested in Switzerland last month and extradited to Paris. He has been charged with murder. The other two presumed assassins, both Iranians, are missing. Sources close to the investigation said that Mr. Hendi has implicated figures in Iran's power structure who allegedly tried to help him procure false identity papers and visas for the killers. Mr. Hendi, portrayed as grand-nephew to Ayatollah Khomeini, was among a dozen people detained Wednesday night in connection with the murder, the sources said. The others have been released.

British agencies call for funds for Iraq

LONDON (R) — British aid groups Sunday called for Western cash aid totalling \$470 million for Iraq, where they said children were dying of malnutrition in a food crisis. "Following recent visits by staff to Iraq, it is clear that the U.N. and the agencies alone cannot meet the humanitarian needs of the Iraqi population," they said in a joint statement. Cafod, Christian Aid, Oxfam, Save the Children Fund, the Refugee Council, Quaker Peace and Service and the Catholic Institute for International Relations said Iraq would not be able to provide enough food, medicine or shelter for its population even after oil sales. The U.N. Security Council gave Iraq permission on Thursday to sell \$1.6 billion worth of oil, its only significant export earner, to buy food and medicine. Iraq said the U.N. conditions attached to the deal were unfavorable and were an infringement of its sovereignty. The British agencies said monthly rations to each person in the government-controlled areas of Iraq were sufficient for no more than two weeks. Families were forced to buy essential goods on the open market where prices were up to 20 times higher, beyond the reach of those on low to average wages.

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Wife files to see husband jailed in Iraq

LONDON (AP) — The wife of a British citizen imprisoned for more than five years in Iraq said Saturday that she was hopeful that he may soon be released. "It could happen at any time. But it may not happen. One has to remain hopeful and try to be cheerful," Shirley Richter said in an interview on BBC radio before leaving for Baghdad. Her husband, Ian Richter, was jailed in 1986 for allegedly bribing Iraqi officials. Britain has no diplomatic links with Iraq and the Soviet Embassy in Baghdad is keeping in touch with Mr. Richter. Mike Whitlam, director-general of the British Red Cross, was accompanying Mrs. Richter to Baghdad. "Obviously we will do what we can while we are in Baghdad to discuss Ian's situation with Iraqi officials and hopefully to make some progress. But it is quite difficult to know what more can be done," Mrs. Richter said.

King Hassan orders 35 prisoners released

RABAT (AP) — King Hassan II ordered 35 prisoners freed Saturday in an annual expression of clemency marking the birthday of the Prophet Muhammad, the official MAP news agency announced. Prison sentences were reduced or abolished for another 83 prisoners, the news agency said. All were common criminals, not political prisoners. Their names, crimes and lengths of sentence were not disclosed. The royal pardon is traditional on the Prophet Muhammad's birthday or other special occasions, but comes at a time that the kingdom is giving way on a number of human rights issues.

Churches, shops attacked in Cairo suburb

CAIRO (AP) — Rampaging extremists attacked two churches and several shops in a western Cairo suburb in the last 24 hours, police sources said Saturday. They said 18 people were wounded in the incidents and 28 extremists were arrested. The sources said trouble began Friday night in the working class suburb of Imbaba after a false rumor circulated that a Christian had killed a Muslim. About 600 Muslim extremists took to the streets carrying swords, chains, bottles containing flammable fluids and sticks. They hurled the incendiary devices at a church and set fire to a coffee shop before police intervened and dispersed them. The sources did not say what weapons the security forces used. The extremists went on a similar rampage Saturday morning, starting fires in another church and four shops owned by Coptic Christians.

Exim bank signs accord with Kuwait

WASHINGTON (R) — The U.S. Export-Import Bank has signed an agreement with the Kuwait Investment Authority to consider the financing of up to \$2 billion in American exports. It said this was the first borrowing agreement by Kuwait and should help U.S. exporters win Kuwaiti contracts for reconstruction and other public sector projects. The bank's commitment provides U.S. exporters insurance and guarantee of payment for goods and services.

Gulf oil ministers meet in Saudi Arabia

NICOSIA (R) — The oil ministers of Saudi Arabia and its five allies in the Gulf Cooperation Council (GCC) opened talks in the Saudi Red Sea port city of Jeddah Saturday, three days ahead of an Organisation of Petroleum Exporting Countries (OPEC) meeting in Geneva. The GCC, a political and economic bloc set up a decade ago, groups Saudi Arabia, Kuwait, the United Arab Emirates, Bahrain, Oman and Qatar. Only Oman and Bahrain are not members of the OPEC. The official Saudi Press Agency said Qatar's transport minister, Abdullah Bin Saif Al-Masani, addressed the opening session.

PLO leaders remain undecided PNC likely to leave door open for participation in peace parley

From Lannis K. Andoni in Tunis

DESPITE THE increasingly hardening positions adopted by the various Palestinian groups, Palestine Liberation Organisation (PLO) Chairman Yasser Arafat is still seeking to secure the backing of these groups and the Palestine National Council (PNC) which will convene in Algiers on Monday, will leave the door open for Palestinian participation in the peace process, according to senior PLO officials here.

So far the PLO leadership, which held a series of lengthy meetings in Tunis last week, has failed to reach a decision on whether to authorize or to reject Palestinian participation in the peace process. The Palestinian groups and even some independent members of the PLO Executive Committee have fallen back to a hardline position as a result of disappointment in U.S. Secretary of State James Baker's failure to offer satisfactory

assurances to the Palestinians, according to PLO officials. In the last 48 hours all the major PLO groups, except for Fateh, the biggest organization in the PLO, decided to reject Palestinian participation in the peace process according to the current American terms, officials from the various groups said.

These include the Popular Front for the Liberation of Palestine (PFLP) of George Habbash, both wings of the Democratic Front for the Liberation of Palestine (DFLP) led by Nayef Hawatmeh and Yasser Abed Rabbo respectively, the Palestinian Communist party led by Saleem Najjar, and smaller groups like the Palestine Liberation Front (PLF). "We cannot approve Palestinian participation under the present American conditions," said Mr. Abed Rabbo, who is viewed as representing the more moderate wing of the DFLP.

But PLO officials say that most of these groups will support a resolution that will emphasize the basic Palestinian rights and leave the door open for Palestinian participation in the peace process.

The militant shift in the mood in Tunis has provoked concern among PLO officials that the failure to reach an agreement among the groups over a political strategy might seriously undermine what is seen as the most crucial PNC session since the inception of the PLO.

Mr. Hawatmeh has been the only leader calling for a boycott of the PNC, but officials believe that he could be dissuaded, especially that his position is seen to be linked to the internal dispute in the DFLP. The group's tactic is aimed at trying to secure better conditions from the Americans rather than obstructing the process unless there were absolutely no signs of any kind of an Israeli withdrawal from the occupied territories, PLO officials said.

The Fateh Central Committee, however, has not concluded its meeting. (Continued on page 5)

DFLP move to boycott PNC also reflects internal rift

THE DECISION of the Democratic Front for the Liberation of Palestine (DFLP) led by Nayef Hawatmeh to boycott the Palestine National Council (PNC) meeting in Algiers reflects not only serious scepticism over the American-led peace process, but also the power struggle between the two wings of this major faction of the Palestine Liberation Organisation (PLO).

Mr. Hawatmeh made his announcement Saturday after the PLO leadership refused his demands to recognise his wing as the legitimate DFLP and the wing led by Yasser Abed Rabbo as a new independent group in the PLO. In an interview with the Jordan Times late Friday, Mr. Hawatmeh warned that his group was "fed up with ambiguous Palestinian resolutions that are open to different interpretations" and by what he said was the support of the PLO leadership for breakaway factions.

Mr. Hawatmeh had demanded that the PLO Executive Committee and the Fateh leadership deal with Mr. Abed Rabbo's wing as a new break-

away group that has no affiliation with the DFLP. "We simply could not do that because that will mean we are sanctioning divisions. Moreover, both men have supporters in the DFLP," said a Fateh Central Committee member, who asked not to be named. If Mr. Hawatmeh does indeed boycott the PNC, he will not affect the council's quorum but will definitely create confusion at the PNC, especially that it have to take crucial decisions that cannot tolerate divisions.

Other groups and independents are expected to step up mediation efforts to ensure the presence of Mr. Hawatmeh, who had always advocated working from within the PLO and never led a breakaway opposition. Mr. Hawatmeh told the Jordan Times that he was not going to attend the PNC unless there was a clear PLO policy on the peace process. "We are not going to take part in the session if we do not reach a position paper defining the PLO's

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Hizbollah, Israel remain deadlocked over hostages

BAALBEK (AP) — American journalist Terry Anderson and Church of England envoy Terry Waite are the most valuable assets of Lebanese factions holding Western hostages, a leader of the Hizbollah group said Saturday.

"To some factions Terry Anderson could be more important than the rest, while to others Terry Waite could be more important," Hussein Musawi told the Associated Press.

Mr. Musawi, leader of a pro-Syrian faction within the Shiite Muslim Hizbollah was referring to the 'kidnappers' position in efforts to swap the hostages for more than 300 Lebanese held by Israel, including Hizbollah activist Sheikh Abdul Karim Obeid. Sheikh Obeid, 39, was kidnapped by helicopter-borne Israeli agents from his village of Jibsheh in South Lebanon in July 1989. His release has been a key condition of the kidnappers for freeing the Western hostages.

Mr. Musawi did not elaborate

on Mr. Anderson and Mr. Waite. But his comments appeared to indicate that the two captives were unlikely to be freed until Sheikh Obeid is released in an overall exchange being negotiated by U.N. Secretary-General Javier Perez de Cuellar.

The Israelis consider Sheikh Obeid, who they identify as a Hizbollah leader, their most important Shiite prisoner.

Israel, in the three-way bargaining, is seeking information on five of its servicemen missing in Lebanon.

Mr. Musawi said Israel's failure to release Sheikh Obeid with the next batch of prisoners "would not cancel the whole effort" to work out a comprehensive swap.

"If Obeid is included in the next batch of prisoners to be released by Israel, that would facilitate the whole effort. But the Israelis say he's a major card and they might keep him in custody until later," Mr. Musawi added.

Israeli anti-Bush barrage turns worse

TEL AVIV (R) — A headline Israeli cabinet minister who inflamed a row over U.S. loan guarantees by calling George Bush an anti-semitic said Saturday the U.S. president's policies would lead to a second Holocaust of Jews.

Minister without Portfolio Rehavam Zeevi, whose remarks last weekend drew calls for moderation from prime Minister Yitzhak Shamir, described Mr. Bush as hostile to Israel.

"Bush wants to twist Israel's arm in regard to our rights over the land of Israel," Mr. Zeevi told an army radio. "When he wants to cause something that will lead to second holocausts in any generation, I can protest and scream," he said, adding, "There are symptoms of anti-Semitism."

A cabinet session last Sunday, Mr. Zeevi accused Mr. Bush of being a liar and an anti-Semite over his appeal to Congress to delay \$10 billion in loan guarantees to Israel until after a Middle East peace conference scheduled for October.

Mr. Bush infuriated Mr. Shamir's right-wing Likud government by backing up his call for a 120-day moratorium with a threat to veto any congressional attempt to push through the Israeli request for the guarantees.

The row over the guarantees, which would enable Israel to borrow on world markets at low interest rates to resettle Soviet immigrants, overshadowed U.S. Secretary of State James Baker's efforts to secure agreement on convening the peace conference.

Mr. Bush asked Congress for a delay fearing a debate now over loan guarantees could destroy fragile arrangements for the conference by alienating Arab states. Mr. Zeevi's remarks suggested deepening Israeli mistrust of the Bush administration which has decided for the first time to use aid overtly to press Israel to curb settlement in the occupied territories and cooperate on peace efforts.

A senior official aboard Mr. Baker's plane returning from a seventh Middle East peace shuttle said on Friday Washington

was prepared to issue invitations to the conference to stop foot-dragging by reluctant parties. Mr. Zeevi, whose party advocates expulsion of the Palestinians in the occupied territories, was one of three government ministers to vote against the conference. He said others had reservations.

"You'd be surprised that most members of the government are going with butterflies in their stomachs, doubts and misgivings about what will come out of this conference for us. Not health, not security and not peace."

Mr. Shamir's government opposes U.S. demands that it cede occupied territory in a peace deal and defends Jewish settlement as necessary for "security" and as a "Biblical" right.

Mr. Shamir likened the rift with Israel's closest ally to "bad dream."

A senior advisor to Mr. Shamir expressed anxiety that Mr. Bush's delay would have a domino effect causing other countries to with-

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Royal Jordanian pursuing course to ride out turbulence

By a Jordan Times Staff Reporter

AMMAN — Financially troubled Royal Jordanian, the Kingdom's flag carrier, is pursuing all corridors to address its short-term problems accentuated by the world recession and turbulence in the international aviation scene before gearing itself to landing in the safe haven of privatisation. But solutions to its haunting problems may not come easy for the airline, whose options have been tied down by accumulated debts estimated to be over \$250 million since the early 1980s. In 1988, the devaluation of the Jordanian dinar and the subsequent decline in business worked together to plunge the state-owned carrier into real financial straits.

RJ reported a record loss of JD 88 million in 1988, part of it carried over from previous years. But the airline sprang out of the operational red and posted a JD 1.4 million profit in 1989. Figures for 1990 have not been released, pending submission of the airline's accounts to the Cabinet.

Economic experts believe that the only option for the carrier, short of an unlikely government bail-out with a massive cash infusion, is privatisation, an idea discussed on and off since 1987.

Officials confirmed that discussions were held with several potential buyers of a major stake in the airline, but the exact state of the negotiations remains a closely-guarded corporate secret. Senior offi-

cial have denied that the airline had discussed investment with foreign airlines.

In the meantime, pressing obligations confront RJ. One of its immediate priorities is to come up with a satisfactory response—better still, around \$40 million to \$45 million—in defaulted payments to European banks which have underwritten its 12-year leases on eight Airbus aircraft. The leases began in 1987 when RJ received the first of the planes. The other seven were received in subsequent years.

The airline, which is committed to paying \$110 million in annual lease payments, has paid part of the dues in 1991 and the Finance Ministry has so far warded off any action by the creditors, including repossession of aircraft.

A "deadline" set by the banks expires this month and intense diplomatic and political efforts are under way to secure another extension, officials said.

"We have failed to meet some of the payments during the Gulf crisis and that is still a pending problem," RJ Chief Executive Officer Hsiam Abu Ghazaleh was quoted as saying in a Reuters interview last week. "It is being handled but no agreement has been reached."

His Majesty King Hussein referred to the dramatic expansion and growth RJ achieved since its establishment in 1956 and underlined the airline's current problems in a speech to the European Parliament two weeks ago. "Our national airline, our ambassador of goodwill to the

world, is threatened before our efforts to privatise it and reorganise it materialise," the King said.

"Plans for privatisation and reorganisation (of RJ) are well underway," he said. "However, we have been advised that the Airbus fleet may be withdrawn because of our current inability to pay the arrears."

RJ officials estimate that the airline lost \$100 million in revenue as a result of the Gulf crisis, which forced it to reduce operations and pay high insurance premiums, and the subsequent war, during which almost the entire RJ fleet was grounded.

Oil prices which skyrocketed during the crisis were also another factor adding to the problems of the airline.

Meanwhile, cost-cutting measures continue at the airline. These include termination of foreign staff at RJ offices abroad, reducing administrative and operational expenses, "in-house" austerity measures, and termination or scaled-down frequency of flights on several routes.

Termination of RJ staff in Jordan is ruled out under what officials describe as a clear countermand order containing directives not to dismiss any employee of the airline as a cost-reduction measure.

Overexpansion is cited by many as one of the main reasons behind the problems which hit the airline, but given the booming business in the early 1980s such ambitious plans were only natural, industry source say.

"The airline has adopted a



Aircraft maintenance is an area where Royal Jordanian enjoys a comfortable internationally competitive edge (File photo)

multi-pronged approach," said a senior official. "This includes, in addition to the cost-reduction measures, a stepped-up effort to resume the level of operations as existed before the Gulf crisis," the official said.

RJ has gradually resumed flights to the Far East after the Gulf war but has scaled down the number of flights. The airline also flies to Beirut now, after a six-year hiatus followed by the 1985 hijack and subsequent destruction of one of its planes at the Lebanese capital.

RJ lost one of its main routes — Amman-Kuwait —

Amman — with the Iraqi invasion of Kuwait on Aug. 2, 1990. Flights to and from Kuwait used to be account for a good part of RJ business in the Gulf, particularly, that close to 400,000 Jordanians and Palestinians worked in the emirate before the invasion.

Post-war Kuwait has refused to allow landing rights to the Jordanian airline and the carrier's business in the Gulf has slumped.

Although the airline did good business in the months immediately after the Iraqi in-

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U.N. teams working normally in Iraq

BAHRAIN (Agencies) — U.N. weapons inspectors were operating normally in Iraq Saturday, an official said, as Baghdad deliberated whether to permit overflights by U.N. helicopters.

U.S. President George Bush has threatened to send warplanes to escort the helicopters if Iraq refuses to follow U.N. resolutions requiring that it cooperate fully with the inspectors.

The Iraqi decision is expected Sunday. Security Council President Jean-Bernard Merimee of France and other council members have demanded a written and unconditional reply.

Iraqi Foreign Minister Ahmad Hussein Khudayer left for New York Saturday to deliver the response.

Alastair Livingston, chief of field operations for the U.N. Special Commission (UNSCOM) for dismantling Iraq's weapons of mass destruction, said all was fine with an UNSCOM team that went into Baghdad Friday.

Mr. Livingston said that he had been in radio contact with the UNSCOM liaison officer Saturday morning who told him "everything was fine, no problems."

The 13 biological weapons experts are led by Dr. David Huxsoll, a professor from the Louisiana State University. They

are investigating Iraq's biological research labs to check whether the research is for military purposes.

A 45-member team representing UNSCOM and the International Atomic Energy Agency (IAEA) in Vienna, led by another American, David Kay, is going from Bahrain to Baghdad on Sunday.

Dr. Huxsoll and Mr. Kay have refused to be specific about the exact locations they will visit or whether they will need helicopters for surprise visits.

Another UNSCOM-IAEA nuclear team, led by British Leslie Thorne, was in Baghdad over the past week and arrived in Bahrain Friday en route to Vienna.

They did not need helicopters for their mission of scientifically measuring nuclear material at an Iraqi facility in near Baghdad.

Mr. Thorne said most Iraqis were taking the U.S. threat in stride while celebrating the Prophet Muhammad's birthday along with the rest of the Muslim World.

The Iraqis his group dealt with were "upset by the Washington warnings," he said, "but they didn't treat us differently."

"They recognised that we were a technical team doing a technical job... and I think they respected the fact that we were trying to do a job and do it honestly," he said.

For more than two weeks Iraq has

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1 killed, 3 wounded in clash near Nablus

OCCUPIED JERUSALEM (Agencies) — A soccer game Saturday between a Palestine Liberation Organisation (PLO) faction and the fundamentalist Hamas movement led to a clash that left one Palestinian dead and three wounded, Arab sources and police said.

The game, between members of Fateh and the fundamentalist Islamic movement Hamas, took place in the West Bank town of Salfit near the city of Nablus, police and Arabs said.

For unclear reasons the game led to a confrontation in which both sides drew guns and knives, Arab sources said. In the violence Mahmoud Al Haz, 23, was killed and three others were moderately injured, police said.

Israel Radio said Mr. Haz was shot and the three injured all suffered stab wounds. The army command imposed a curfew on the village following the incident to prevent further violence.

Hamas, also known as the Islamic Resistance Movement, and Fateh fought for control of the Nablus city Casbah earlier this year. At least four Palestinians were wounded in the confrontations.

In the Gaza Strip refugee camp of Rafah, the Black Panther vigilante group announced it had killed Mahmoud Said Rizik, 28, as a suspected collaborator with Israel and for dealing in drugs, Arab sources said.

Mr. Rizik's body was found Friday by residents of the camp, the sources added.

Police have banned a group of Jewish zealots from entering the Haram Al Sharif complex during next week's Sukkot festival.

A year ago, activities scheduled by the "Temple Mount Faithful" sparked protests in the complex that ended with at least 18 Palestinians dead in police

gunfire.

The Temple Mount Faithful campaigns for reconstruction of the Biblical Jewish temple in the area.

It had planned to use a helicopter to lay a cornerstone for the new temple during Sukkot, the eight-day feast of Tabernacles holiday that begins Sunday night.

The ceremonies were planned for Wednesday, a day of priestly blessing when tens of thousands of Jewish worshippers visit the Western Wall.

The area is the site of two of Islam's holiest shrines — the Dome of the Rock and the Al Aqsa Mosque.

Last year, rumours that the Temple Mount Faithful planned to lay the cornerstone incited protests.

It began with stones thrown from the complex onto Jewish worshippers and ended with police opening fire, killing 18 Palestinians and wounding more than 130 others. The incident drew worldwide condemnation.

Also Saturday, Israeli Arab doctor Ahmad Tibi confirmed that the interior ministry had lifted a travel ban to allow him to travel to the United States and participate in a symposium on the Palestinian-Israeli conflict next week.

The ban was lifted only for this occasion and Dr. Tibi said he had to sign a guarantee promising not to travel to any other country or to meet with PLO officials while in the U.S.

In August, Interior Minister Arye Deri banned Dr. Tibi from travel abroad for four months on grounds he would endanger Israeli security by meeting with the PLO.

Mr. Deri's spokeswoman could not be reached to explain why an exception was made for Dr. Tibi's trip to the U.S.

This is your chance to view for one more day a special showing of the full collection of **Bani Hamida Rugs** for the Helsinki exhibit in October, 1991 at **The Bani Hamida House, Rainbow St.** on **Sunday, 22 September from 9 a.m. - 7 p.m.** Tel.: 6586967

Kurdish kidnappers free ark hunters

ANKARA (R) — Five Westerners, four of them seekers of Noah's Ark, strolled to freedom Saturday after being held for three weeks by Kurdish separatists.

Officials on Turkey's eastern Bingol province said three Americans, an Australian and a Briton were released near the mountain village of Ilcilar — close to where they were kidnapped by armed rebels.

"They walked seven kilometres to the Ilcilar gendarmarie (rural police) post and arrived there at 1.30 a.m. (2230 GMT)," one official told reporters.

Australian archaeologist Allan Roberts, 59, and his U.S. colleagues Ronald Wyatt, Richard Rives and Marvin Wilson, all in their fifties, telephoned their families before being escorted to police headquarters in Bingol just before dawn.

"They look very cheerful. In fact, they look fitter than we do here," Bingol Provincial Governor Atilla Vural said. "They are in very good health. They have been given medical checks."

Mr. Roberts' call to his wife Margaret in Sydney was the first news of the missing men since they were seized at gunpoint on a desolate mountain road on Aug. 30.

Up to 5,000 Turkish troops, police and anti-terror units failed to trace the five.

Mr. Roberts and the Americans had been on an expedition to find Noah's Ark, which the Bible says came to rest on Mount Ararat in eastern Turkey.

The driver of their mini-bus said they were kidnapped by about 30 Kurdish rebels, two of them women, manning a roadblock.

The Briton, Gareth Thomas, 58, from London, was seized from a separate vehicle. He had been travelling as a tourist.

Chris Roberts, the son of the freed Australian, said his father had told him he and the other

captives were held high on a mountain near where they were kidnapped.

His father was unable to walk properly because one of his feet — injured in an accident several years ago — was swollen, but his four companions were fit and well.

The kidnapping was assumed to have been the work of the outlawed Kurdish Workers Party (PKK), fighting a guerrilla war for a separate Kurdish state in southeast Turkey since 1984.

The PKK said earlier it was not sure if its men had taken the five but promised to free them if that was the case.

In August, 10 German holidaymakers seized from a campsite in eastern Turkey were released after a week in PKK captivity.

This month PKK guerrillas seized an American, two Mexicans and a Turk at a roadblock but freed the unarmed three hours later.

The PKK is also holding seven Turkish soldiers captured in a raid on a border post in early August. They were last seen by Turkish reporters in northern Iraq shortly after the Turkish army launched a big cross-border attack against PKK bases.

More than 3,300 people have been killed in eastern and south-eastern Turkey since the PKK began its armed struggle.

Several Western governments, including the United States and Britain, have warned their citizens not to travel in the area.

The archaeologists, sponsored by the Canberra-based Noah's Ark Research Foundation, had been awaiting permission to excavate a site they believed held the Ark. Mr. Roberts' wife said.

They hoped to examine a mud-covered fossil formation resembling a boat in the remote Akyayla region. On a previous trip, Mr. Roberts identified what he said was fossilised gopherwood of the type described in the Bible.

U.N. chief rejects two-state idea for Cyprus

UNITED NATIONS (Agencies)

— Recognising the Turkish republic of northern Cyprus as an independent nation is not in the best interests of either Turkish or Greek Cypriots, U.N. Secretary-General Javier Perez de Cuellar said Friday.

The U.N. chief also said he does not foresee a high-level meeting among the Greek and Turkish governments and Cypriot communities taking place in the near future.

Mr. Perez de Cuellar said the differences in the position of the two Cypriot communities, and between Greece and Turkey, are too wide to bring them all together now.

"There is not enough agreement on the document that would justify a meeting," he said. "The meeting was not intended to negotiate details."

"I am disappointed, of course, but not discouraged," Mr. Perez de Cuellar added.

President George Bush had announced last month that Greek and Turkish leaders had agreed to discuss the future of Cyprus at a meeting in the United States in September, provided there was an adequate narrowing of differences. But last week, U.N. envoy Oscar Camilión said the meeting would not take place this month, although it might be possible later.

At Mr. Perez de Cuellar's news conference, a reporter noted the trend towards recognition of new republics that once were part of larger nations — in particular, the Baltic states, and the desire of Croatia and Slovenia for recognition.

1986 U.S.-Iraq deal fades as obstacle to CIA nominee

WASHINGTON (R) — Robert Gates' handling of U.S. intelligence sharing with Iraq in 1986 appears to be fading as the last obstacle to his Senate confirmation as director of the Central Intelligence Agency (CIA).

Senator David Boren, chairman of the committee holding Mr. Gates' confirmation hearings, Friday called the Iraq dispute a difference over legal interpretation and said Mr. Gates was headed for strong Senate approval so far.

"I would say probably going out of this week he's in a strong position for confirmation, a good strong vote," Mr. Boren, an Oklahoma Democrat, said in a television interview.

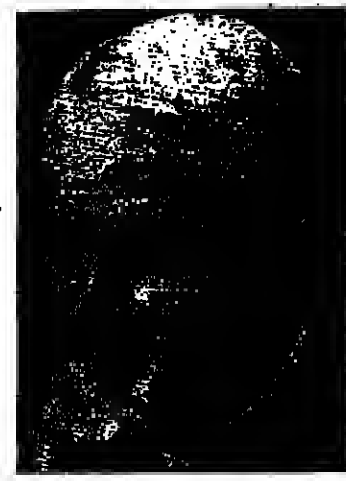
Mr. Gates has largely dispelled concerns on Mr. Boren's Senate Select Committee on Intelligence over whether he told the truth about the 1986 Iran-contra scandal and should have done more to expose it.

He said he should have done more but said he did act when he heard the first suspicions about the scandal that rocked Ronald Reagan's presidency — that Iran arms sales profits had illegally been diverted to Nicaraguan contra rebels.

Mr. Gates, then CIA deputy director, said he reported the suspicions to then-CIA Director William Casey and the White House. Present and former CIA officials generally backed his word at hearings on Thursday and Friday.

But Senator Bill Bradley, a New Jersey Democrat, said another issue could potentially block Mr. Gates' Senate confirmation — his handling of the Reagan administration's intelligence sharing with Iraq in 1986 during the Iran-Iraq war.

The CIA gave Iraq a top-secret satellite link that not only helped it launch precise bombing raids on Iranian oil terminals and power plants but helped to get satellite pictures hours later showing how effective the raids had been.



Robert M. Gates

according to news reports at the time.

Mr. Bradley has been pressing Gates and other witnesses all week on whether Mr. Gates violated the law because the operation amounted to a covert operation requiring a presidential order or "finding" that must be sent to Congress.

Mr. Gates replied that it was not a covert operation but simply sharing of intelligence between U.S. and Iraqi intelligence agencies requiring no such order.

Mr. Boren has cut off most questioning on the subject for fear of jeopardising Iranian participation in efforts to release U.S. hostages in Lebanon.

But Mr. Bradley said he intends to press it in closed committee sessions next week and that it potentially could still prevent Mr. Gates' Senate confirmation.

Under the constitution, if the committee approves Mr. Gates' nomination it goes on to the full Senate for a vote.

During an exchange on Friday, however, Mr. Boren said: "I'm not sure that Senator Bradley and I agree on the legal interpretation."

Several Republican committee members said they had looked into the matter and saw nothing in it that would prevent Mr. Gates' confirmation.

Egypt to deepen Suez

ISMAILIA (R) — The Suez Canal Authority (SCA) plans to deepen the 122-year-old channel to allow a new generation of supertankers to carry oil through the waterway.

SCA Chairman Ezzat Adel told Reuters he hoped the plan would go ahead despite a possible challenge by Egypt's Sumed pipeline, which now carries oil from supertankers which cannot use the canal if fully loaded.

The government-owned SCA is studying a range of plans, the most ambitious of which would cost a billion dollars, to deepen the channel and allow VLCCs (very large crude carriers) with up to two million barrels of oil to pass through.

"For the next 20 years, oil will be the main source of energy, the Arab Gulf will be the main producing area and Europe will be the main consumers," Mr. Adel said.

The canal is now Egypt's second biggest source of badly needed foreign currency, after its 400,000 barrels per day (bpd) of oil exports.

Mr. Adel said that, contrary to initial fears, traffic through the canal actually rose during the Gulf crisis.

Egypt's revenue from the canal jumped by 18.2 per cent in the year ending June 30 to \$1,777 million from \$1,433 million in 1989/90 as Gulf oil producers built up floating stocks in Europe. Oil accounted for about 35 per cent of the canal's traffic.

But non-oil trade to and from the Gulf dropped over 20 per cent in the same period.

Reconstruction demand in Kuwait is not as expected, there is still a blockade on Iraq and other Gulf countries are feeling the costs of the (Gulf) war," Mr. Adel said.

Plans to expand the canal's capacity were more than 50 per cent likely to go ahead, he said, adding that the SCA and Sumed could avoid competition by increasing Egypt's market share and taking cargoes which now went round Africa to Europe.

He said the plans, to be decided on early next year, would also be affected by what size ships replaced the world's ageing tanker fleets and whether other countries followed the United States in changing tanker specifications to make them safer.

"If we get one VLCC a day, fully loaded, this will be very attractive," he said.

The SCA could finance the project itself, he said, but would seek soft loans so as not to deprive the government of some of its income.

"I hope the Suez Canal and Sumed will not confront each other with competition," Mr. Adel said, adding he hoped the Egyptian government, which owns half of Sumed, would intervene if either firm took "contradictory measures."

Sumed, whose other half is owned by Gulf oil producers, plans to spend \$120 million to increase the pipeline's capacity by 50 per cent to 2.4 million bpd.

VLCCs now unload at Sumed's Red Sea terminal at 'Ain Sukhat, pass through the Suez Canal and pick their cargoes up against at the Mediterranean terminal of Sidi Kerir.

Mr. Adel said Sumed originally wanted to double its capacity, which would have caused a fight, but then scaled down its plans.

Mr. Adel said the SCA, which Egypt nationalised and then fought a war to keep in 1956, was free from government interference and for the last eight years had increased its tolls only to match inflation in its main client states of Western Europe.

MIDDLE EAST NEWS IN BRIEF

Mexico demands repatriation of 15

MEXICO CITY (R) — Mexico said Friday that 15 of its nationals were being held as virtual hostages by an Iranian company, and that it may appeal to the United Nations to win their release. A Foreign Ministry statement said the group was hired in February by the Industrial Fishing Company of Iran to work on tuna boats in the Middle East. It said the work contract the men signed had been broken repeatedly by the Iranians. When the Mexicans demanded to be sent home, their passports and other travel documents were confiscated. The disgruntled workers jumped ship earlier this month in the United Arab Emirates where they sought asylum at a police station in Dubai. But police bundled 13 of them back aboard the tuna boats and they are believed to have been taken to the Iranian port of Bandar Abbas, the Foreign Ministry said. It said Mexico was now considering appealing to the United Nations Human Rights Commission to win the men's repatriation from Iran and the United Arab Emirates.

Chad, Libya sign cooperation agreement

NDJAMENA (R) — Chad and Libya have signed a security and cooperation agreement to facilitate travel and trade between the two countries, Chad announced Friday. The accord signed recently in Tripoli establishes procedures for exchange of any remaining prisoners from a 15-year border war between the two countries. Information Minister Mahamat Saleh Ahmat said. It also covers repatriation of Chadian nationals living in Libya. Mr. Ahmat said. Official sources in Chad's capital Ndjamena said the accord, the first of its kind since President Idriss Deby, with Libyan aid, overthrew former President Hissene Habre, would give Libya increased access to northern Chad. They said Libya has traditionally issued identity cards to residents of the remote desert area and, under terms of the new accord, would continue to do so. Relations between Libya and Chad have vastly improved since Mr. Deby overthrew Mr. Habre in a coup last December. The two countries fought a border war over the mineral-rich Azouzi Strip ending in 1988 with Chad's defeat of Libyan forces.

Saudis to give \$1m to air museum

LONDON (AP) — Saudi Arabia's ambassador in Washington has promised \$1 million toward a planned American air museum in England, organisers said. They said the pledge followed a meeting between the ambassador, Prince Bandar Ben Sultan, and Marshall of the Royal Air Force Sir John Grandy, who met at Cranwell Royal Air Force College. "When the air chief marshal told him about the project the prince thought it was a good thing to support," said Frank Crosby, spokesman at the Imperial War Museum in London. Mr. Crosby said that in recognition of the gift a special section of the air museum will be devoted to "the decisive role of air power in the Gulf war between the U.S., British and Saudi Arabian air forces." Marshal Grandy is joint chairman with American actor Charlton Heston of the appeal for £8 million to build the air museum at Duxford airfield, 72 kilometres north of London. Duxford was a U.S. air base during World War II. Mr. Heston was a tail-gunner on B-25 bombers with U.S. forces in the Far East in World War II. Mr. Crosby said, "During the war, 30,000 American airmen were killed flying from British bases and the air museum will be a living memorial to them," Mr. Crosby said. A direct-mail appeal in the United States for the air museum has already raised \$650,000 from more than 20,000 individual donors. Mr. Crosby said. Duxford airfield now belongs to the Imperial War Museum which keeps a collection of 120 historic aircraft there, including 20 U.S. planes. The American air museum will open in the mid-1990s if the appeal succeeds.

U.S. army pilots rescued after crash

BAHRAIN (AP) — Two U.S. army aviators were rescued after their helicopter flying from the frigate USS Stark crashed in the northern Gulf waters, the U.S. navy reported Saturday. The pilots were flying a U.S. army OH-58D Kiowa Warrior, which is an armed helicopter, according to the statement from U.S. naval forces' central command. The pilots were picked up by a second Kiowa Warrior helicopter, also attached to the Stark, the statement said. The crash was at 9:35 p.m. (1835 GMT) Friday, and the aviators and their rescuers were back on the Stark at 10:01 p.m. (2201 GMT), according to the statement. Both crew members suffered "non-serious injuries," it said. They were evacuated by a SH-60 Sea Hawk helicopter from another frigate, the USS McCuskey, to a U.S. army hospital in Dhahran, Saudi Arabia. The cause of the crash was being investigated by the U.S. army, the statement said. The Stark is the frigate that was hit by two Exocet missiles on May 17, 1987, during the Iraq-Iran war, killing 37 U.S. sailors. The missiles were fired by the Iraqis who later apologised saying the attack was unintentional. Last weekend, a U.S. navy Sea Dragon helicopter crashed in the northern Gulf region shortly after takeoff from the amphibious assault ship USS Peleliu. All six men aboard were killed. Investigations are still proceeding in that incident, one of the worst U.S. forces in the Gulf suffered since the end of the Gulf war. Air, naval and ground forces have sustained 71 non-combat fatalities since the end of the hostilities.

Big drug haul discovered in Turkish truck

DOVER, England (R) — British customs officers Friday arrested a Turkish driver after discovering heroin with a street value of more than £7 million hidden in the wheels of his truck. A customs spokesman said 66 kilograms of heroin were discovered in the spare wheels of the truck arriving from Turkey via the Balkans. They also discovered 350 kilograms of cannabis valued at £1.2 million in another lorry that arrived by ferry at the southern port of Dover from Ostend, Belgium, Thursday. Two men were being questioned. Earlier this week, a court sentenced three Turkish men to long jail terms for trying to smuggle 530 kilograms of heroin, the largest haul of heroin seized by British customs, in two trucks last November. The lorries had also come by the so-called "Balkan Route" increasingly favoured by drug smugglers — from Turkey, through Yugoslavia, Austria, Germany and Belgium.

Bush said to call for repeal of Zionism resolution

UNITED NATIONS (AP) — To his speech next week to the General Assembly, President George Bush will urge repeal of the 1975 resolution calling Zionism a form of racism, the World Jewish Congress (WJC) said Friday.

Elan Steinberg, executive director of the WJC, said the group was told by a government official that Mr. Bush will call on the world body to rescind the measure or supersede it with another resolution.

Administration officials in Washington, who spoke on condition of anonymity, confirmed the report.

One official said the speech was in "a very rough draft form," that it contained many sections still to be filled, especially on the Middle East, and was "a philosophical speech, not a laundry list of proposals."

The Bush administration, like its predecessors, has gone on record deploring linkage of Zionism with racism. "We would like to see this linkage revoked as soon as possible," said the second official in Washington.

Israel has said the resolution calls into question the integrity, objectivity and credibility of the United Nations in any peace process — evidence that the world body is hopelessly biased against Israel.

Hanan Ashrawi, professor, mother and negotiator

RAMALLAH, Occupied West Bank (R) — Hanan Ashrawi is a sharp witted and articulate woman professor of English.

In March, the Palestine Liberation Organisation (PLO) chose her as one of three Palestinians to meet U.S. Secretary of State James Baker on his quest for Middle East peace.

Today she is emerging as a leading voice of the 1.75 million Palestinians in the Israeli-occupied territories.

"All of us are political beings. You are born with a burden and a responsibility. You can't afford to detach yourself from the fate of your own people," she told Reuters in an interview before meeting Mr. Baker once again early Friday.

Mr. Baker, who has visited the region seven times since the end of the Gulf war, delayed a trip to Syria for the unscheduled meeting with Dr. Ashrawi in Amman.

Dr. Ashrawi, 45, sent by the PLO to see Mr. Baker to convey their position on U.S. proposals for a Middle East peace conference, told Reuters she would rather Palestinians stay away from the conference than agree to Israeli conditions.

"Accepting the dictates of the occupier over the occupied is a violation of Palestinian national self-determination and unity," she said.

Disagreement over how Palestinians will be represented is still one of the major obstacles to convening a



Hanan Ashrawi

conference. Israel wants PLO representatives and Palestinians from East Jerusalem barred from attending.

Dr. Ashrawi gained prominence partly because Israel will only deal with Palestinians from the West Bank and the Gaza Strip.

But her commitment to the PLO is unwavering and despite pressure to accept Israeli conditions, she insists Palestinians be allowed to choose their own representatives.

Dr. Ashrawi is sought almost daily because the international press for comments. Her perfect English, easy smile and Western style of dress has made her popular among U.S. television networks who frequently interview her on the Palestinian

perspective.

Million saw Dr. Ashrawi clutching a gas mask in her basement in a dramatic description on the U.N. Cable News Network of life under Israeli army curfew during the Gulf war.

Last May, Dr. Ashrawi hammered home a political point by joking with Mr. Baker when he arrived late to a meeting with Palestinian leader after crossing the bridge from Jordan to the occupied West Bank.

"Don't worry. We Palestinians know you were late — the Israelis were searching you and all your belongings the way they do to us at the border," she quipped.

Nearly four years after a

Palestinian uprising against Israeli rule in the occupied West Bank and Gaza Strip, began, Dr. Ashrawi said she dreams of living in an independent Palestinian state and won't settle for less.

Born two years before Israel's creation in 1948 to a Christian family, Dr. Ashrawi has been entrenched in the Arab-Israeli conflict most of her life.

Her father was involved in the Palestinian resistance to the establishment of Israel in 1948 and participated in the founding meeting of the PLO in 1964, Dr. Ashrawi said.

She was studying at the American University in Beirut in 1967 when Israel occupied the West Bank, East Jerusalem and the Gaza Strip.

She said she dug shelters in Palestinian refugee camps in Lebanon and began her political work there on behalf of the Palestinian cause.

"I immediately became involved because I came face to face with the substance of reality, not just abstract politics."

An English professor at the West Bank's Bir Zeit University, Dr. Ashrawi lives with her husband Emile, who is a musician and a photographer for the United Nations, and her daughters Zeina, 10, and Amal, 14.

"I want my daughters to have a future," Dr. Ashrawi said. "They were born under occupation, they don't know freedom. They deserve a free childhood."

JORDAN TIMES DAILY GUIDE AND CALENDAR

JORDAN TELEVISION

Tel: 77311-19

PROGRAMME TWO

18:00 Montage
18:30 Le Chevalier de Cid
19:00 News in French
19:15 Strategeme
19:30 News in Hebrew
20:00 News in Arabic
20:30 The Simpsons
21:10 Documentary
22:00 News in English
22:30 B.L. Striker

PRAYER TIMES

8:45 Fajr
12:31 (Sunrise) Dhuhr
12:51 Dhuhr
16:02 'Asr
18:48 Maghreb
20:06 'Isha

CHURCHES

St. Mary of Nazareth Church Swidieh Tel. 810740
Crematorium of God Church, Tel. 637385
St. Joseph Church Tel. 624590
Church of the Annunciation Tel. 637440
De la Salle Church Tel. 661757
Terrence Church Tel. 622866
Church of the Annunciation Tel.

WEATHER

Bulletin supplied by the Department of Meteorology.

It will be partly cloudy and relatively cold and winds will be northwesterly moderate to fresh. In Amman, it will be dusty with northerly moderate to fresh winds and calm sea.

Amman 14 / 26
Aqaba 21 / 33
Dhahran 15 / 28
Jordan Valley 20 / 34

Yesterday's high temperatures: Amman 25, Aqaba 32. Humidity readings: Amman 25 per cent, Aqaba 40 per cent.

USEFUL TELEPHONE NUMBERS

NIGHT DUTY

AMMAN:
Dr. Zein Zaghlool 635591
Dr. Abdul Hadi Tayyem 620115
Dr. Abdul Majid Al Saer 791405
Dr. Yousef Sammour 615448
First pharmacy 651912
Ferdous pharmacy 778336
Al Aqaba pharmacy 637055
Naboukhi pharmacy 623672
Al Sakam pharmacy 636730
Yacoub pharmacy 644945
Shamoun pharmacy 637660

EMERGENCIES

Food Control Centre 637111
Civil Defence Department 651111

Civil Defence Immediate

Rescue 638341
Civil Defence Emergency 199
Rescue Police 192, 621111, 637777
Fire Brigade 891228
Blood Bank 775121
Traffic Police 893390
Highway Police 894402
Public Security Department 630221
Hotel Complaints 609800
Price Complaints 661176
Water and Sewerage Complaints 897467
Amman Municipality 77511126
Telephone Information 787111
(directory assistance) 121
Oceania Calls 010230
Central Amman Telephone Repairs 623101
Abdali Telephone Repairs 661101
Jordan Television 771111
Radio Jordan 774111
Water Authority 680100
Jordan Electricity Authority 815615
Electric Power Company 636381
RJ Flight Information 08-33200
Queen Alia Int'l. Airport 08-33200

HOSPITALS

AMMAN:

QUEEN ALIA INTERNATIONAL AIRPORT

This information is supplied by Royal Jordanian (RJ) Information Department at the Queen Alia International Airport Tel. (08)3320-5, where it should always be verified.

ARRIVALS

Royal Jordanian (RJ) Flights (Terminal 1)

08:15 Vienna (RJ)
08:30 Athens (RJ)
08:45 Jeddah (RJ)
09:00 Jeddah (RJ)
09:15 Dubai, Abu Dhabi (RJ)
09:30 Doha, Bahrain (RJ)
09:45 Beirut (RJ)
10:00 Madrid (RJ)
10:15 Cairo (RJ)
10:30 New York (RJ)
10:45 Istanbul (RJ)
11:00 Paris, Geneva (RJ)
11:15 Frankfurt, Vienna (RJ)
11:30 London, Brussels (RJ)
11:45 New York, Amsterdam (RJ)

FOR THE TRAVELLER

AMMAN:

Other Flights (Terminal 2)

12:40 Tripoli (LN)
14:45 Bahrain (GF)
18:50 Larnaca (CY)
20:35 Beirut (ME)

DEPARTURES

Royal Jordanian (RJ) Flights (Terminal 1)

07:30 Beirut (RJ)
08:15 Athens (RJ)
08:30 Tunis, Casablanca (RJ)
08:45 Istanbul (RJ)
09:00 Cairo (RJ)
09:15 Riyadh (RJ)
09:30 Dhahran (RJ)
09:45 Damascus (RJ)
10:00 Abu Dhabi (RJ)
10:15 Kuala Lumpur, Singapore (RJ)
10:30 Jeddah (RJ)
10:45 Bangkok (RJ)
11:00 Sanaa (RJ)

Other Flights (Terminal 2)

10:25 Rome (AZ)
13:40 Tripoli (LN)
15:15 Bahrain (GF)
19:15 Larnaca (CY)

MARKET PRICES

Upper/lower prices in US per kg

Apples 700 / 650
Bananas 450 / 400
Beans (Mushroom) 550 / 450
Cabbages 250 / 100
Cauliflowers 280 / 220

Other Flights (Terminal 2)

Palestinian refugees sign petition rejecting U.S. peace plan

By Rana Sabbagh
Reuters

BAQA'A CAMP — Tens of thousands of Palestinian refugees, dismissing the U.S. Middle East peace plan as a sell-out, have signed a petition saying the PLO alone should represent them at any Arab-Israeli conference.

Palestinian community leaders showed journalists petitions signed by 93,000 refugees from 11 camps in Jordan. They said a further 180,000 signatures had been collected from Palestinians in Lebanon, Syria and other parts of the world.

"We announce that our people will not be responsible for any (peace) negotiations or agreements that are concluded without the PLO," the petition read.

"Any Palestinian representation from outside the PLO is a fake

and forged one which all our people condemn."

The petition, sent to the Palestine National Council (PNC) or parliament in exile, described the latest U.S. peace initiative as a bid to impose "a surrender solution on the Arab-Israeli conflict at the expense of the Palestinian people's legitimate rights."

The PNC begins a crucial meeting in Algiers on Monday to decide whether Palestinians will go to a U.S. and Soviet sponsored peace conference which U.S. Secretary of State James Baker has been trying to organise for next month.

The petition was released a day after PLO Chairman Yasser Arafat sent West Bank academic Hani Ashrawi to Jordan in an unsuccessful last-minute bid to wring stronger assurances on the peace conference from Mr. Bak-

er.

Israel refuses to meet the Palestine Liberation Organisation which it says is bent on the destruction of the Jewish state.

Syria, Jordan, Lebanon, Egypt and Israel have agreed — with conditions — to the holding of a conference.

The PLO has not yet accepted a proposal to send a joint delegation to talk to the PLO but officials in Amman believe the PLO would agree after securing some U.S. guarantees.

The Palestinian community leaders talked to journalists in Baqa'a, just north of Amman, home to more than 120,000 refugees who fled to Jordan during the 1984 and 1976 Middle East wars.

The refugees' petition said the PLO should take part in the con-

ference in its own right and on an equal footing with other parties to the Arab-Israeli conflict.

The PLO had a right to name its delegation to the peace talks to include Palestinians from anywhere including Jerusalem, it added. Israel refuses to contemplate delegates from East Jerusalem which it seized in the 1967 Middle East war and later annexed.

The petition said PLO participation would guarantee a durable peace that would secure the Palestinian peoples' right to return to their land and set up an independent Palestinian state.

"We reaffirm that the current American peace formula is in contradiction with our minimum national rights and the minimum requirements of international legitimacy," it added.

Iraqi foreign minister blasts U.S. over renewed threats to attack Baghdad

AMMAN (J.T.) — Iraq's foreign minister, Ahmad Hussein Al Khudayer, arrived in Amman Saturday on his way to New York to take part in the U.N. General Assembly meeting.

In an airport statement, Mr. Khudayer strongly criticised the United States for threatening to use force against Iraq because Baghdad refuses to allow U.N. helicopters to fly over Iraqi territory.

This is not the first time the United States issues threats against Iraq, which has been fully cooperating with the U.N. inspection teams and offering them all facilities to help carry out their missions, Mr. Khudayer said.

In reply to a question about a Security Council resolution allowing Iraq to sell limited amounts of oil, Mr. Khudayer said that the harsh conditions and terms attached to the resolution violate Iraq's sovereignty and dignity.

On Thursday, the council gave Iraq permission to resume limited oil sales. The resolution said Iraq can sell up to \$1.6 billion worth of oil in six months to pay for emergency food and medicine and contribute to a fund for war victims.

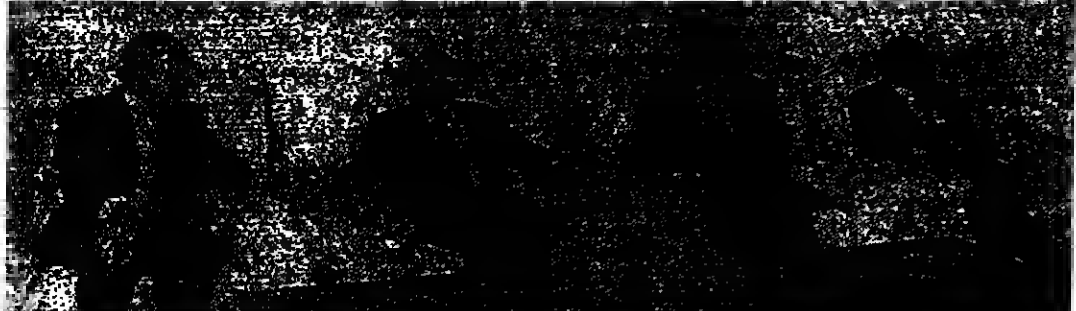
Mr. Khudayer said that if the Security Council is keen to respond to Iraq's humanitarian needs, it should not attach condi-



Iraqi Foreign Minister Ahmad Hussein Al Khudayer, in brief stop in Amman, holds talks with Jordanian officials. Mr. Khudayer later left for New York to take part in a U.N. General Assembly meeting (Petra photo).

Mr. Khudayer said that he would meet with a number of foreign ministers from around the world. Also arriving in Amman Saturday was Iraq's oil minister, Usama Abdul Razzaq, who is on his way to Geneva to participate in the

meetings of the Organisation of Petroleum Exporting Countries (OPEC). The minister was met at the airport by Minister of Energy and Mineral Resources Thabet Al Taher and Iraq's ambassador to Jordan Nouri Ismael Alwais.



Yemeni Foreign Minister Abdul Karim Al Iryani arrived in Amman Saturday for talks with the Higher Joint Jordanian-Yemeni Committee (Petra photo)

Yemeni foreign minister arrives for talks

AMMAN (J.T.) — Yemeni Foreign Minister Abdul Karim Al Iryani arrived in Amman Saturday to take part in the Higher Joint Jordanian-Yemeni Committee due to open its meeting in Amman Sunday under the co-chairmanship of Prime Minister Taher Masri and his Yemeni counterpart, Haider Abd Baker Al Attas.

The meeting assumes a spe-

cial importance as it is being held under very critical circumstances in the Arab World, said Dr. Iryani in an arrival statement.

The higher committee, he said, was expected to discuss a wide range of topics in economic, trade, scientific, cultural, youth and industrial fields. Strong cooperation in these matters, reflect the very strong

ties between Amman and Sanaa, Dr. Iryani said.

To pave the way for the higher committee meeting, a team of officials from both sides have been meeting in Amman over the past three days. The team of officials are reported to have prepared a set of recommendations and resolutions including ways for promoting trade exchanges, according to informed sources.

Amman Chamber of Industry issues handbook

AMMAN (Petra) — The Amman Chamber of Industry has issued a handbook giving detailed information about Jordanian industries.

The handbook, in English, has 517 pages and gives information about various industrial firms, their development, types of products they manufacture and marketing in Jordan and abroad.

The handbook is divided into four main parts giving names, addresses of the companies, products they manufacture and import export trade markets.

In addition, the handbook contains useful information about Jordan, its location, population, area, aspects of economic life and other features of the Kingdom in addition to information about the Amman Chamber of Industry and its services to the public.

A chamber statement said that copies of the handbook have already reached government ministries, Jordanian embassies abroad and foreign embassies in Amman through the Foreign Ministry. The distribution of the handbook to the foreign embassies, the statement, said aims to orient non-Jordanians on the types and quality of national industrial products.

European delegation visiting Jordan to review ongoing developments in area

AMMAN (J.T.) — A European Parliamentary Delegation is currently visiting Jordan at the invitation of the Jordanian Parliament.

Chairman of the European Delegation Dimitrios Nianias and four other parliamentarians began their visit on Saturday with meetings with Ahmad Al Lawzi, President of the Senate and Dr. Fawzi Taimel, Acting Speaker of the Lower House and members of both houses.

The two sides held constructive talks on the relations between Europe and the Arab World, with emphasis on the peace process, the situation of the Palestinian people and the economic and social consequences of the Gulf Crisis for Jordan.

The Jordanian side clarified their stance on the Palestinian

question and restated their desire for a just and peaceful solution in accordance with U.N. Resolutions 242 and 338.

The European Parliamentary Delegation agreed with the need to apply the U.N. resolutions and called for a peaceful and secure solution for all peoples and countries in the region.

During the meetings, the two sides reviewed their relations since the signing of a European Community-Jordan Cooperation Agreement. Since 1977, the EC has provided Jordan with grants and loans for economic and social development. A further \$151.2 million will be allocated for the 1992-1996 Fourth Protocol.

During the Gulf Crisis, the EC provided \$168.4 million in

emergency aid in support of Jordan's evacuee programme, 30 per cent of the total aid provided by the international community. In February 1991, a grant of \$180 million was made to Jordan as one of the frontline states most affected by the Gulf Crisis.

On Saturday afternoon, the Delegation visited Baqa'a refugee camp, where they were briefed by Paul David of UNRWA and visited families in the camp.

They are expected to meet His Majesty King Hussein, Prime Minister Taher Masri and Minister of Finance Basel Jarrahleh today.

The delegation, which arrived here Friday, will leave for Syria on the next leg of their current Middle East tour.

Trade delegation returns from Austria

AMMAN (J.T.) — A Jordanian trade and economic delegation returned to Amman Saturday following a week-long trip to Austria to discuss trade exchanges and economic ventures, according to Samih Darwazah the group's leader.

The 10 member group, he said, held discussions on investment and trade with leading Austrian businessmen and investors as well as members of the Austrian Chamber of Commerce.

The group, which represented the Jordanian Exporters Society, went to Austria in order to promote the sale of Jordanian industrial products in Austrian markets, to invite businessmen to invest in Jordan and to discuss prospects for joint economic ventures, said Mr. Darwazah in a statement to the Jordan News Agency, Petra.

The Jordanian team, which comprised businessmen and merchants, explained to the Austrian hosts the Jordanian law on encouraging investments and the exemptions offered to investors in economic schemes in the Kingdom, Mr. Darwazah added.

He said that the visit, which was made through coordination between his society and the Austrian embassy in Amman, opened the way for the Jordanian and Austrian businessmen to exchange views and to know about Jordanian and Austrian manufactured products as well as prospects for marketing them in either country.

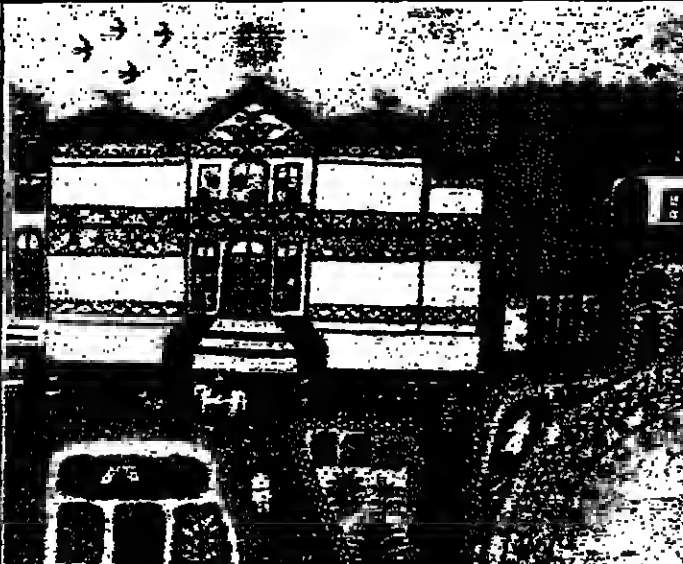
Mr. Darwazah said that Austrian businessmen expressed a willingness to promote the sale of Jordanian industrial products in Austrian markets and in Eastern European countries as well. The Austrian hosts said that Jordanian products are of high quality and are being sold at very competitive prices in Europe.

According to Mr. Darwazah, the Austrians are considered the main marketers in Eastern European countries like Yugoslavia, Romania, Hungary, Czechoslovakia and the Soviet Union.

The talks with the Austrian Chamber of Commerce, Mr. Darwazah said, aimed at bolstering industrial as well as commercial cooperation between Jordan and Austria and the prospects for joint ventures in Jordan.

Mr. Darwazah said that an Austrian delegation is due to visit Jordan in December in order to examine Jordanian industrial products.

CHINESE TROUPE IN JORDAN — The Chinese Chen Jiang Folk Troupe will be visiting Jordan between Sept. 26 and Sept. 30 at the invitation of the Ministry of Culture and Information. The troupe, which is made up of artists from various Chinese provinces, will present performances at the Royal Cultural Centre in Amman and then will move on to other areas of Jordan. The Chinese troupe, which was founded in 1949, is made up of 200 artists. The troupe presents folk music and folk dancing.



ART DONATION — Jordanian plastic artist Muhammad Rafiq Al Labban has received a letter from the United Nations Children Fund (UNICEF) expressing gratitude for the contribution of his art work "Jerusalem" to the organisation. The letter

informed Mr. Labban that the art work will be used as a reason's greeting card by UNICEF during 1992. UNICEF normally prints cards and sells them to the public with the proceeds benefiting children.

Paintings make viewer part of setting

By Maha Addasi

Special to the Jordan Times

AMMAN — On entering the art gallery of the Abdel Hameed Shoman Foundation, the onlooker is pleasantly surprised by the riot of vivid colours that sprout out of the "naïve" art on display.

The intense colours and the story book atmosphere of the works displayed give this type of art a unique and refreshing flavour. Each work engulfs the onlooker into a time and place that has been captured in oil, water colours, or acrylic to the finest of detail on canvas or, as in some cases, wood, or hardboard. Each work tells a story. Is one of the 85 paintings in the gallery, all by German

artists, there is an oil on wood of a cafe with people eating, and drinking and brings to life a coffee shop scene. In this painting the figures are flat — they are not drawn to appear three dimensional because the artist has foregone the rules of perspective to some degree, but not altogether, because distant figures are smaller in size.

ART REVIEW

In another work, an acrylic and tempera on pasteboard entitled "Snowed In," the art piece is drawn as though it is a perfect replica of a photograph, making it appear as though the onlooker is there at the train station beside the

snowed in train. Typically, and in almost every work of this kind, a great deal of action is illustrated. In the oil on canvas entitled "Circus" there are hundreds of people painted in the circus tent. There is enough detail to see facial expressions in the minute faces painted, with the circus members doing their acts.

Looking closely at many of the paintings, it is not unusual to see two left hands on the same figure or items that seem like they are floating because there are no shadows shown. Accordingly, art critics have indicated that the naïve artist or instinctive artist is born, not made.

Critics go back to the origin.

of the word naïve, which is the Latin "nativus" meaning in-born and original. "In our use of the word means uninhibited," wrote the former director of the art museum in Basel, George Schmidt.

The childlike directness that some naïve art reflects is one aspect of this type of art that does not change. Although academic skill is the naïve artist's secret wish, the art does not have the elements that are taught in the academics such as the illusion of the third dimension and the effects of light and shade.

The exhibition, which was made possible in cooperation with the Abdel Hameed Shoman Foundation and the Goethe Institute, will continue until Sept. 25.

The Housing Crisis

Astronomical rents leave some Jordanians unable to find housing in own country

This is the first in a series of articles that seek to examine the current housing crisis in Jordan. This article deals with the rental sector and the effect of the returnees on prices.

By Nidal M. Ibrahim

Special to the Jordan Times

AMMAN — The sudden influx of a large number of returnees from Kuwait and the other Gulf states has pushed house rental prices to levels rarely seen in the past decade, leaving many Jordanians struggling to find a place to live.

Some apartment rents have risen between 50 per cent and 70 per cent since the end of the Gulf war, said Soha Hammour, a real estate agent with Sandi Real Estate in Amman.

"It was like that (after) the devaluation of the Jordanian dinar but it started to really be a problem after the Gulf war because of the expatriates coming back," said Ms. Hammour, who has been active in the local market since 1986.

The situation, she said, has rapidly deteriorated. "We have reached the stage where people are living on the pavement," Ms. Hammour said. "The situation is critical."

Yusuf Aljaabri, owner of Abdoun Real Estate in Amman, said he had seen similar market trends.

"There's too much demand," he said. "There are not enough houses for rent. When you don't have houses, prices go up. If it's a good house, it will be rented before

the people are out, especially near diplomatic areas."

As if to underscore the realtors' views, statistics from the Department of Lands and Surveys reveal that there were about 50,000 empty apartments in Jordan before the Gulf war. With the influx of an estimated 300,000 returnees, coupled with about 100,000 Iraqis fleeing the economic havoc the allied-imposed embargo is causing in their country, the number of empty apartments in the Kingdom has dwindled to about 7,000, statistics show.

The situation has become so alarming that many Jordanians now find themselves unable to live in their own country. An average apartment in west Amman now costs about JD 40,000, Ms. Hammour said.

To rent that same apartment, a family would have to pay between JD 3,500 and JD 4,000 annually, she said.

"This figure, for local people, is not acceptable because their income is approximately JD 100 per month," Ms. Hammour said.

Seeking to take advantage of the astronomical rent increases, a family in the Jabal Hussein refugee camp is now trying to rent a room with a small kitchen and bath for 300. Under normal circumstances, such accommodations would be rented for between JD 50 and JD 90, Ms. Hammour said.

"(Rents) started increasing after Sept. 1990 little by little and this year, after April, it became very hard to find a house," Mr. Aljaabri said. "Even today, every day prices

are increasing," he said. Because of today's inflated rents, a family would be able to buy an average parcel of land with three year's worth of the rent money it would pay for an average apartment in today's market, said Husam Y. Azar, director of statistics at the Department of Lands and Surveys.

The problem is further exacerbated by the preferential treatment many landlords give to foreigners.

"Most of my clients, when they ring me up, tell me to give priority No. 1 to foreigners," Ms. Hammour said.

"We don't want Arabs and we don't want Jordanians," she quotes them as saying.

According to Ms. Hammour, 90 per cent of landlords prefer foreigners. While reasons for this vary, most foreigners, especially diplomats, pay between 30 per cent and 50 per cent more, she said. In addition, Jordanian law stipulates that landlords can raise the rent for an apartment three years after originally renting the apartment to a foreigner, according to Ms. Hammour.

The lack of housing has also made it easier on realtors to satisfy prospective clients' needs — because their clients' standards are lower.

Before the war, realtors normally had to show prospective clients about 20 houses before successfully completing a deal, Mr. Aljaabri said. Because of today's high demand, clients usually are satisfied after seeing two or three houses, he said.

WHAT'S GOING ON

- ★ An exhibition of naïve painting from Germany at Abdel Hameed Shoman Foundation Gallery.
- ★ Plastic art exhibition by Nidal Jamous at the Royal Cultural Centre.
- ★ Exhibition of paintings by Omar Boual at the French Cultural Centre.
- ★ Exhibition of ceramics by Iraqi artist Salim Al Nouri at Alia Art Gallery.

Minister creates new office

AMMAN (Petra) — Minister of Industry, Trade and Supply Ali Abul Ragheb decided Saturday to create at the Ministry of Supply an office that will conduct studies and draw plans to guide and protect consumers in cooperation with the Jordanian Society for Protecting Consumers. The office will form a link between the society and the ministry and will attempt to solve problems facing consumers. Mr. Abul Ragheb also decided to appoint Mohammad Zaitoun as director of the office, which will be a nucleus for a new department at the ministry in the future.

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Editorial and advertising offices:
Jordan Press Foundation,
University Road, P.O. Box 6710, Amman, Jordan.
Telephones: 667171/6, 670141-4
Telex: 21497 ALRAI JO
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Sunday's Economic Pulse

By Dr. Fahed Al Faneh

Early recovery of price stability

Inflation soared after the devaluation of the Jordanian dinar, which took place during the twelve months starting October 1988. The preliminary prediction at the time was that regaining stability in the exchange and inflation rates will take no less than five years of strict and successful application of the economic correction programme which was put into effect in mid-April 1989.

However, it took less than one year to reach a convincing stability of the exchange rate, at around \$1.5 to the dinar. Inflation, as measured by the cost of living index was, of course, expected to take a longer time because it has a self-propelled dynamic nature of its own.

Inflation in 1988, measured by the cost of the basket of goods and service consumed by a typical limited-income family, was 6.6 per cent. Most of this rise happened during the last quarter of the year after the eruption of the foreign exchange crisis. Inflation shot up to 25.3 per cent in 1989, the highest rate on record since the foundation of modern Jordan. The rate declined to 16.1 per cent in 1990 which compared to the previous year, was considered an achievement. Yet no one dared project a less than 12 to 14 per cent inflation rate for 1991.

What happened so far amounts to a pleasant surprise that is worth analysing and understanding. The rise of prices disappeared completely after reaching its peak in March 1991. The direction of the cost of living index was actually reversed since then. The index showed a consistent decline for four months in a row, i.e. April, May June and July. The cost of living index for August is not available yet, but surprises are not expected. The prices were lower by 2.8 per cent during the last four months compared to the level reached in March 1991.

Comparing the price level of 1990, the month to month annual inflation rate would be 8.1 per cent. This is by no means a low rate, but it is very encouraging when compared to the two previous years, and may be considered excellent and impressive relative to the expectations which were prevailing a year ago.

In other words, we can be positive that high inflation in Jordan is over for the time being and that a relative stability of domestic prices has been recovered.

This astounding achievement was not brought about only through the right monetary and trade policies applied by the

Central Bank of Jordan and the government. These policies were of course essential and helpful, but there are other factors and circumstances which contributed to this success. Some are: the high rate of unemployment, which pushed wages down even in nominal terms, the economic recession where sellers were obliged to absorb part of the rise in costs in order to maintain their markets, the closure of Saudi Arabian borders that depressed the domestic prices of vegetables and fruits which carries a heavy weight in the consumer baskets; the contraction in investments and consumption expenditures which are expected to take place under the Gulf crisis circumstances.

The current sharp rise in the real estate market, including rents and prices of land and buildings, is an exceptional phenomenon caused by the sudden influx of returns from Kuwait. It was necessary to raise the supply of housing to cope with an increase in population of around 10 to 12 per cent over night. Real estate market is not an important component in the cost of living index and will not change the picture drastically. It is also assumed that rents and prices of land and buildings have reached the peak and will start to stabilise in a matter of weeks or months.

Decision with a difference

IN THE WAKE of U.S. Secretary of State James Baker's latest working visit to the Middle East to promote the chances for holding the proposed peace conference, there is more, not less, work for the Arabs to do, especially in removing remaining differences among them on the peace process and otherwise. The announcement by the foreign minister, Dr. Abdullah Rasour, Friday that he and his counterparts from Egypt, Syria, Lebanon and the PLO will hold a coordination session in New York on the fringes of the meetings of the U.N. General Assembly come therefore at a most opportune time. As long as the Arab side remains in disarray and divided on strategy and tactics, the probabilities that the Arabs would emerge from the peace parley relatively successful would obviously greatly diminish.

True each Arab party would be seized with its own set of issues and conflicts in talks with the Israelis. Yet, lack of a minimum degree of coordination among them would leave each and every one of them an easy prey for Israel. Syrian President Hafez Al Assad confirmed just before Mr. Baker's seventh round of talks with him that Damascus was interested not only in the recovery of the Golan Heights but also in a comprehensive peace that includes of course the resolution of the Palestinian problem in its entirety. His Majesty King Hussein is already on record as saying Jordan is concerned most of all with attaining a just and permanent solution for the Palestinian problem and the total resolution of the Arab-Israeli conflict on the basis of U.N. Security Council resolutions 242 and 338. Clearly this Jordanian-Syrian position corresponds well with the postures of Egypt, Lebanon and the Palestinians as well. All that has been missing till now is the faithful translation of these principled positions into a well articulated and formulated Arab peace strategy for the upcoming peace conference.

Of course all this would hinge first and foremost on the decision of the PLO to join the U.S.-led peace efforts. The Palestine National Council's (PNC) Algeria meeting due to begin Monday is geared to debate this fundamental issue. As an affirmative decision by the Palestinians would make the chance of holding a viable peace parley on the Palestinian case and the broader Arab-Israeli conflict that much greater, the eyes of the world are naturally focused on that momentous gathering to pronounce its final stance on the prospective peace negotiations. There is every hope that the Palestinians would rise to the level of heavy responsibility that rests on their shoulders and undertake the awesome task of adopting a positive attitude on what is clearly a difficult choice for them. Once that historic decision is taken, the New York meeting of the foreign ministers of the Arab parties expected to attend the October peace negotiations would stand a greater chance of success and productivity. Not that the Arabs need to wait an extra day before they should start work on getting their act together. But on this one at least, the Palestinians know they can make the difference.

ARABIC PRESS COMMENTARIES

IN keeping with its standard policy of undermining U.S. Secretary of State James Baker's peace bids in the region, Israel has authorised its Defence Minister Moshe Arens to announce that the Jewish state would not study the prospect of halting the construction to settlements in the occupied territories, said Al Ra'i Arabic daily Saturday. The paper said this Israeli policy should prompt the U.S. administration to think seriously that its delaying the loan guarantees was not sufficient to pressure Israel into accepting the American peace plan to end the Arab-Israeli conflict. The paper said that Mr. Arens' statement of defiance clearly shows that Mr. Baker's seventh tour of the region did not change anything and was not able to stop Israel's expansionist plans in the Arab lands. For this reason, one is led to believe here that Mr. Baker might be making yet another trip to the region to pave the way for a peace parley, said the paper. But it asked how such parley can begin while the Americans feel impotent in the face of Israel's policies and cannot halt their settlement plans in the occupied territories. The paper noted that although the Americans have not yet given assurances which would lead to giving the Palestinians their right to self-determination, such a right is legitimate under the U.N. Charter and the Palestinians will sooner or later attain it through their continued struggle. The paper expressed hope that the Arab countries, whose foreign ministers are to hold a meeting Wednesday to discuss the situation, will take a unified stand vis-a-vis Israel's intransigence and thus force the United States to deal more firmly with the Jewish state.

A columnist in Al Dustour Saturday urged the Palestine National Council, which is meeting in Algeria soon, to take James Baker's warnings to the Palestinians seriously and to decide which way to follow in the ongoing struggle to regain Arab rights in Palestine. Taker Al Udwaa said that Mr. Baker had warned the Palestinians that the peace conference could be the last chance for them to regain their rights and if they say no they would be the biggest losers. The peace conference, which would be attended by Arab countries and Israel, could indeed be the last chance to settle the Arab-Israeli issue, said the writer. For this reason, the Palestinians meeting in Algiers should examine the situation carefully before giving their answer. He said it is easy for the council to say no to the conference and to revert to insisting on liberating Palestine from the sea to the river and wait for the opportune moment to exterminate the Jews once they have gathered in the occupied regions. The writer said that the Palestine National Council should take Baker's warnings seriously before choosing the right way for the Palestinian people. The council, the writer added, should also convince the Palestinians of their decision to be taken in reply to America's invitation to them to take part in the peace conference. He said that a yes or no answer has to be well studied and convincing.

Very clear signal to Saddam, U.S. administration officials say

By Charles Aldinger
Reuter

WASHINGTON — The decision to put U.S. warplanes on alert for possible use against Iraq should be seen as a crystal clear warning to President Saddam Hussein that he must finally abandon weapons of mass destruction, Bush administration officials said on Wednesday.

Defence officials and military analysts said U.S. intelligence now had more extensive information on Iraq's chemical and biological arms sites and where Baghdad had hidden equipment used to make enriched uranium.

Targeting hiding places with laser-guided and earth-penetrator bombs would be a far simpler task than the 116,000 Gulf war missions flown by U.S. and allies aircraft against Iraqi troops, airfields and buildings, they added.

"The Iraqis can probably hide some of it completely from attack, but I think we have a pretty good idea today where to

go and what to do. I think the war showed we can deliver the goods," said one senior U.S. Air Force official.

Defence Secretary Dick Cheney refused to confirm or deny a statement by one administration official that some U.S. units would be sent to the Gulf within a day or two. The official was talking to reporters travelling with President George Bush on Wednesday to Grand Canyon, Arizona.

But other administration officials told Reuters in Washington the simple act of alerting air units to prepare for Gulf duty — including radar-evading F-117A Stealth bombers and F-15E attack jets — was not a bluff.

"The contingency preparation of air units should be read as a crystal clear warning to Saddam that he better realise the West means business," one of the officials said.

Defence officials have refused repeatedly to confirm reports that a Western contingency plan

already in place would target Iraqi military command and control centres for bombing, as well as chemical, biological and nuclear sites.

"But whether you're trying to do a precise job or send a broader message to Saddam's military, the planners would have far fewer targets to worry about," said John Pike of the Federation of American Scientists.

"U.S. intelligence has undoubtedly improved since we learned after the war that Iraq had a lot of more extensive nuclear research programme than we thought," added former Assistant Defence Secretary Lawrence Kord, now with the Brookings Institution think-tank.

There are still 33,000 U.S. troops in the Gulf region, 5,000 in the Air Force, compared with some 540,000 American troops in the region at the peak of the allied war to evict Iraq from Kuwait, which ended last Feb. 28.

In addition to some U.S. air

units still in Saudi Arabia, the aircraft carriers Abraham Lincoln and Forrestal were currently in the Gulf and Mediterranean respectively, carrying more than 150 warplanes and helicopters, experts noted.

"The U.S. is not going to send a half-million troops back to the region. Air power should be threat enough against the Iraqi military," said James Blackwell of the Centre for Strategic and International Studies.

But Mr. Blackwell and others said it was necessary that U.N. inspection teams have full access to the country, even though U.S. intelligence satellites had given the Pentagon a much better view of Iraq's chemical and biological storage sites over the past three or four months.

Pentagon sources said on Wednesday the United States wanted inspection teams to use U.S. helicopters based in Saudi Arabia as well as German helicopters based in Turkey to inspect Iraqi storage sites.

Iraqis suffer as Baghdad ponders U.N. terms for oil sales

By Peter Gregson
Reuter

BAGHDAD — While Iraq weighs whether to accept U.N. terms for a limited resumption of oil sales, the human cost of its ill-fated seizure of Kuwait rises by the day.

No aspect of daily life has been spared the impact of a vice-like trade embargo, imposed by the U.N. after Iraq conquered the neighbouring emirate in August last year.

Festivals in rural areas face starvation following poor harvests and imported food supplies dry up.

Medicines to treat virtually every illness have run out and the most common word heard in pharmacies is "mako" — not available.

"Thousands of lives could have been saved with common and ordinary medicines that fill up drug stores all over the world," said Health Minister Abdul Salam Mohammad Saeed this month.

Hospitals are admitting a growing number of children suffering from malnutrition. Outbreaks of cholera and typhoid are rising sharply.

In Baghdad, a city of five million people, the sound of a ringing telephone is rare after allied bombers smashed the country's communications network.

Inflation is impossible to calculate as prices go up daily. Iraq's children went back to school for the new academic year on Wednesday, but for many it was a day of tears. Their parents could not afford uniforms or textbooks.

"We're six boys at home. The prices are beyond my father's reach," said 10-year-old Karim Ahmad, adding that he also needed a bag, a pen, an eraser and a notebook.

Living standards are falling fast. Huge numbers of Iraq's 18 million people depend on heavily-subsidised food rations to keep going.

Before the Gulf crisis, Iraq imported around 70 per cent of its food needs and simple staples were available to all at give-away prices.

Now the cheap food rations cover only an estimated one-third of average consumption, forcing people to ward off hunger by buying at inflated prices.

Industry is at a standstill, a trickle of goods comes in by road from Jordan to be sold on the black market at prices only the wealthy and ruling elite can afford.

The U.N. Security Council gave Iraq permission on Thursday to sell

\$1.6 billion worth of oil, its only significant export earner, to buy what it says are its minimum essential food and medicine needs for six months.

Food and medicine are exempt from the U.N. embargo, but Baghdad's multi-billion dollar overseas assets are frozen and it has no means to pay for their purchase.

Iraq says the U.N. conditions attached to the deal are unworkable and are an infringement of its sovereignty. They include no direct Iraqi access to the proceeds, one-third of the sale to go towards war reparations, payment of U.N. costs and U.N. monitoring of the distribution of the supplies.

Iraq, which has pledged that all the proceeds will go to feed and care for its people, has said the \$933 million it will receive from the six-month sales will not be enough and that its needs are growing daily.

U.N. Secretary General Javier Perez de Cuellar said earlier this month that Iraq would need to be allowed to sell up to 50 per cent more oil than the \$1.6 billion ceiling over the next six months. The council did not alter the amount.

Oil Minister Osama Al Hiti

said two weeks ago: "We are ready now to produce and export more than one million barrels a day in case we get permission and the sanctions are lifted."

President Saddam Hussein has yet to agree to the conditions, but many people in Baghdad believe there is no alternative.

"What else can they do?" a diplomat asked. "They have no choice. They may feel strongly about sovereignty but that doesn't feed people. It may take a few weeks, but they've backed off on questions of sovereignty with the U.N. before."

Iraq says it is better placed than the U.N. to decide how to distribute the food purchases. It resents the presence of large numbers of U.N. officials, representing seven relief agencies.

Even when oil sales do resume, it will only be a small step to what promises to be a very long road to economic recovery.

But impatience is growing on the streets of Baghdad. "Why don't the foreign countries lift the blockade?" said a man in the poor suburb of Saddam City, where U.N. food handouts began last month.

"We are starving and we have money and oil to pay for our food,"

Eastern Europe looks to winter with better food, energy supplies

By Peter Humphrey
Reuter

BUCHAREST — Improved food and energy supplies offer hope of a milder winter for East Europeans this year after decades of shortages under communist rule that left many huddling like eskimos in igloos.

A growing contribution from the new private sector has helped change the outlook in much of the region as the cold season approaches, although consumers face problems paying new, higher prices.

Price rises generated by the transition to a free-market economy have boosted food production and distribution, while also dampening domestic demand — leading to exportable food surpluses in Poland, Hungary, Czechoslovakia and Bulgaria.

Romania and Albania, whose anti-communist revolutions were the most chaotic, expect some food or energy problems.

But Romania's government expects Western cash injections to carry it into early next year. Albania will also get significant aid in cash and commodities.

Hungary's headache is how to sell West European-style surpluses of milk, meat, wine and other staples, which its East European trade partners can no longer afford to buy, a Western economist in Budapest said. The Hungarian government recently subsidised a 10-day sale to clear excess pork from warehouses, unleashing a spending spree in the country's shops.

Import deregulation has filled Hungarian shops with foreign goods. "Almost everything a gourmet needs to keep body and soul together is there if money is no obstacle," the economist said.

Energy prospects also look good if oil and gas continue to flow from the crisis-torn Soviet Union, which provides around 60 per cent of Hungary's needs, said Gyorgy Szabo, deputy head of the National Oil and Gas Trust.

The region as a whole suffered for several years from Soviet cuts in energy exports and confusion over methods of payment.

Czechoslovakia, like former East Germany, always enjoyed reasonably adequate food supplies and relatively high living standards. It also has a surplus of grain, meat and dairy foods following a 30 per cent fall in domestic demand this year.

Prague hopes, with Western financing, to export food and donate some to the Soviet Union as material aid. It is also confident about its energy supplies.

"Oil deliveries from the Soviet Union are satisfactory. There are no problems. I presume the Soviets will meet all their obligations this year," Josef Berny, head of the Soviet Section at Czechoslovakia's Trade Ministry, told Reuters.

Prague plans to diversify its energy sources in order to avoid any disruption of Soviet supplies.

Further north, Poland has shed its 1980s notoriety as a country of long queues and empty stores and shop shelves are brimming with both Polish and Western goods.

After subsidies were scrapped in 1990, food and energy prices jumped to market levels, encouraging supplies and ending decades of shortages.

But money is not so plentiful. Many Poles, especially pensioners and growing legions of the unemployed, will feel the pinch as they pay for food and heating this winter.

Romanian Economy and Finance Minister Eugen Dimarescu said his country's energy production fell this year by about 16 per cent and its ability to pay for imports decreased as a result of an 11 per cent decline in export revenues.

Romania had only 60 per cent of the money it needed to pay for energy imports estimated at about \$800 million for this winter, he said.

But the government was counting on cash pledged by the group of 24 industrialised countries and the European Community.

Staple food supplies in Romania remain chaotic. People are again queuing in the markets to hoard potatoes and other food for the winter amid fears of shortages.

But price liberalisation and private production have erased the bleakness of the Stalinist years when Romanian food shops and markets were bare in winter months.

Bulgaria has a meat and dairy surplus because price rises have halved domestic demand. But the government in Sofia said it faces a winter oil squeeze because of a backlog in Soviet oil deliveries and currency market fluctuations.

Europe agonises over halting immigrant rush

By Stephen Nisbet
Reuter

LUXEMBOURG — Western Europe is coming round to the view that the way to stem a threatened flood-tide of unwanted immigrants is to improve their living conditions back home.

Despite some sceptical voices, the general consensus at a meeting here this week of migration ministers from the 25-member Council of Europe was that relatively well-off Western countries must help poor countries raise their living standards to stop their citizens fleeing abroad.

On paper at least, the meeting pledged to "help the economic, social, political and demographic development and the human rights situation" in migrant-supplying countries "in order to cancel out the causes of migration."

Using language which in other contexts might have smacked of colonialism, France's Secretary of State for Social Affairs and Integration Kofi Yamgnane urged Western European countries to "live up to their historic responsibilities" towards the poor south.

Germany said concerted European action was needed for "combating population growth in the Third World by birth control and improvement of standards of living."

Applicants for political asylum in Western Europe reached a record 400,000 last year — although many were deemed bogus — and anything up to 1.5 million illegal migrants are estimated to be living in four southern countries alone — Spain, Italy, Greece and Portugal.

The conference was told that opinion polls suggested one European Community citizen in

two thinks there are already too many non-EC nationals in the 12-country bloc.

Even Yugoslavia, torn by fighting, maintained it was still a victim of the magnet effect exercised by affluent Europe on poor parts of Africa and Asia.

Radisa Gacic, federal secretary for labour, health and social security, said his country was even now suffering from "an avalanche" of asylum demands from would-be refugees.

The migration ministers, moving slowly towards harmonising immigration rules, face the threat of mass movement from the newly democratised countries of Eastern Europe. They must also contend with the effects of galloping population growth in countries along the eastern and southern Mediterranean rim.

Speakers at the conference stressed the unpredictability of

migration pressure points in an unstable world. British consultant John Salt called Soviet emigration "the great enigma" and said its scale for 1991-93 was variously estimated at between three and 20 million.

The conference was vague about measures to repatriate people who entered Europe illegally but called for sanctions against people running networks of networks of clandestine immigrants and unscrupulous employers who hired them as cheap labour.

Council of Europe Secretary General Catherine Lalumiere said Europe must accept that some clandestine migrants were inevitable because hermetically sealing the frontiers was possible "only if we turned our countries into police states."

Some migration ministers favoured organised schemes of temporary work for foreigners —

allowing them to earn money, perhaps take some training, and see at first hand that life in the west is not all affluence.

Mr. Lalumiere, using language that echoed throughout the conference, said economic development in migrants' countries of origin, coupled with control of their population growth, held the "only key to reducing migration in the long term."

In more sceptical vein, the British delegation declared that such measures, while desirable, "are necessarily of a very long-term nature and are unlikely to have a significant impact on migratory pressures in the short term." "Measures to tackle the root causes of migration are not a realistic substitute for effective immigration controls," the British statement added.

In a world where even some of the poorest people glimpse mate-

rial wealth on American television programmes, one Swiss diplomat doubted whether levelling-up living standards to quell migratory impulses could work.

Rudolf Weiersmuller, Foreign Ministry coordinator for refugee policy, said he had led a study team to look at what such a drive could mean in practical terms.

For China, to approach Swiss material living standards, Mr. Weiersmuller said, the country would have to build nearly 800 nuclear power stations, drain all its rivers for electricity generation, become a net oil importer and massively pollute the atmosphere with exhaust gas from 350 million cars.

"This is the tragedy that is unfolding in having the Third World with its present democratic development trying to achieve Western European standards of living," he said.

Show reflects Iraqis' will to go on

By Serene Halasa
Special to the Jordan Times
AMMAN — Against a backdrop of slides reflecting Iraq's rich historic heritage, the splendour of Akkad, Babylon, Hatra and the golden age of Baghdad were depicted in the fashion presented by Al Dar Al Iraqiyah Lil Azia in Jordan on Wednesday.

The fashion show, attended by Her Majesty Queen Noor and Princess Alia Al Faisal told the story of Iraq from the beginning of time 6000 years BC.

Using audio visuals with multi projectors and other devices, every age and its fashion were depicted. "Our shows reflect the cultural and historical heritage that developed in Mesopotamia," Faria Kahdar, the fashion house's manager since its opening in 1977, told the Jordan Times. "Our main aim is to inform as well as entertain the public on the riches of Iraq's heritage."

The show delighted the attendees, who stood in awe at the elegant beauty seen in every item displayed.

"I think this is the best show we have put together in the past twenty years," Ms. Kahdar said. "I believe it had sense of challenge and the will to go on," she added referring to the fact that this show was the first since the end of the Gulf war six months ago.



— of challenge and the will to go on after the end of the thirty-nation aggression against Iraq.

RJ turbulence

(Continued from page 1)

various of Kuwait, high war-risk insurance costs eroded most of its profits.

"The problems of RJ are not operational costs," said a source familiar with the airline's accounts. "The very burden of its accumulated debts is straining its resources and does not permit any flexibility," he said.

A senior executive at a foreign airline office in Amman said it was accepted that "as far as operations and expenses go, RJ is a highly profitable airline."

"Having to shoulder the burden of the debts is weighing down on its options," he said.

"Unfortunately the troubles of RJ surfaced at a most inopportune time; there is a marked decline in air travel at least by five per cent as reported by European airlines and few parties are interested in investing in the airline industry these days," he pointed out.

Re-leasing three or four of its Airbus aircraft will take care of RJ's lease payments to the European banks, as it has already done with one of them, which has been leased to Air Lanka. Payment arrangements for the Air Lanka deal have been made directly between the Sri Lanka carrier and the banks which have underwritten the RJ lease with Airbus Industry.

The so-called "wet-lease" arrangements — including cockpit crew, maintenance and insurance — suit RJ very well and give it an edge in the international leasing market since its overhead expenses are lower than most other airlines.

"RJ can make a handsome profit through wet-lease agreements," noted an industry source, who conceded that union problems were a hurdle in such deals.

"Wet-leasing" will also enable RJ to use some of its extra crew as well as maintenance

facilities, he noted. "There is a considerable number of Jordanian cockpit crew whose services could be best utilised by the airline through 'wet-leasing'."

At the peak of the Gulf crisis, the Saudi authorities terminated the contracts of RJ crew and technicians under assignment to the Saudi national carrier, Saudia, and there is no immediate sign of Saudia renewing its interest in any fresh agreement with RJ.

Another leasing arrangement made between RJ and the Bolivian Airlines in July includes RJ maintenance for the aircraft but not crew to operate the plane.

"The major problem that works against RJ's efforts to re-lease its aircraft is the glut in the international civil aviation business," the industry source said. "Today there are over 800 idle aircraft around the world. The international air travel business is registering a decline and this does not create much room for aircraft leasing."

The source cited as an example

the collapse of Eastern Airlines of the U.S. which led to the grounding of at least 300 aircraft that are now available for leasing.

The perennial problems and preoccupations with the financial exigencies have not dampened the hopes of RJ Chief Executive Abu Ghazaleh, who told Reuters last week RJ was back to 75 per cent of passenger loading and has resumed flights to about 40 destinations, five less than the pre-Gulf crisis level.

He noted, however, that the airline had lost 70 to 80 per cent of its revenues on one point during the Gulf crisis.

Travel agents say that RJ did very good business this summer, particularly that most of the foreign airlines have not resumed their flights to Amman, most of which were suspended during the Gulf crisis and war.

"The situation will change in winter, when travel is traditionally low, and when some of the foreign airlines might restart their Amman flights," noted a tour operator.

Anti-Bush barrage turns worse

(Continued from page 1)

hold money. Defence Minister Moshe Arens said he hoped military aid would not be affected.

Israel is already the largest recipient of U.S. foreign aid — \$3 billion in grants annually. Mr. Bush, defending his stance, said Israel had already had over \$4 billion this year.

Opposition parliament members estimate Israel will spend about \$2 billion this year on construction in the occupied territories — the equivalent of the first-year's slice of loan guarantees.

Though Israel has vowed not to spend U.S. aid on settlements, the money would free government funds for settlement activity.

Mr. Arens said Friday he hoped the argument over the loan

guarantees would not spread to U.S. aid in other areas.

"I very much hope the argument over guarantees will not spill over to other aid which the U.S. grants us in the field of defence purchases and economic aid," he told the Israeli news service Ynet.

Mr. Arens also said American pressure on Israel would make the Arab states expect Israel to give up all the territories. "These expectations might turn into frustration ending not in peace but war," he added.

Mr. Zeevi, meanwhile, said the peace conference would be a forum for "humiliations and attacks on Israel."

He held out little hope for a quick peace settlement, adding: "Our generation will live by the sword."

Arab Americans counter Jewish lobbyists in Washington

By Ica Wabbeh
Jordan Times Staff Reporter

AMMAN — As the powerful Jewish lobby in Washington is exerting pressure on the American Congress to approve the \$10 billion loan guarantee, Arab Americans have pitched in their lot to the tug-of-war by calling for a total elimination of the guarantee rather than a delay as called for by President George Bush.

The battle, which started two weeks ago with a request to Congress by the president that any consideration of the Israeli request be delayed for 120 days, could easily turn out to be a major landmark not only in American-Israeli relations and lobbying in the corridors of Capitol Hill but also in Washington's relations with the Arab World, according to American Arab Anti-Discrimination Committee (ADC) Jordan chapter President Nidal Sukhtian.

"If we Arabs respond intelligently, to the U.S. and through the ADC, we will be able — in today's atmosphere — to change the relationship between Arabs and Americans," he said.

Mr. Sukhtian, who asserts

that so far the Arab effort in addressing humanitarian issues concerning Arab Americans was weak or non-existent, adds that Mr. Bush's decision was providing a good opportunity for Arabs to make themselves heard.

"It is a test of will and principles of the American people against the unjust Israeli lobby. It is a battle between right and wrong, between the Israeli Goliath, represented by the AIPAC (American Israeli Public Affairs Committee), and the David of justice, represented by the U.S. administration and the American Arab minority in the U.S. and the long-defeated Palestinians," he said.

ADC, while praising the American president's stand, says that "merely postponing it is not enough — this guarantee should not pass at all."

Trying to counter the Jewish lobby's actions, the ADC has undertaken a series of actions such as preparing materials for contacts regarding the loan guarantees and calling individual members in key districts to join in the fight against the loan guarantees. The group is trying to enlist the assistance of talk show hosts and others interested in doing shows on

the loan-guarantee issue.

It has already ran two ads in the Washington Post opposing the loan guarantee and has designed additional ones for use by chapters in local papers. One such ad was run in the Monday edition of the Jordan Times.

A letter and statement were drafted revealing Israeli plans to demolish an Arab village in the Galilee.

In a press release issued at the end of August, ADC expressed its position on Israel's request for the loan guarantee. According to the press release, ADC has stated that if the United States Treasury guaranteed these loans, it would allow Israel to secure them at favourably reduced interest rates. In the event of default, the burden of repayment would fall on the United States taxpayer.

"Israel's supporters argue that Israel has never defaulted on a loan, conveniently ignoring hundreds of millions of dollars in 'forgiven' loans. In addition, the 'Cranston Amendment' insures that U.S. aid to Israel will never be less than the amount of money Israel needs to service its loans from the United States," said the press release.

The release states that according to Israel supporters in the U.S., the additional \$2 billion a year would be used to "absorb the anticipated influx into Israel of some one million Soviet and several thousand Ethiopian Jews. The money would be utilised for absorption costs including housing, infrastructure projects, job training and development, and cash grants."

"While we support responsible foreign aid and international involvement, we believe this \$10 billion could be better utilised here at home," the ADC said.

Regionally these loan guarantees will generate resentment and exert a negative impact on the Middle East peace process, the ADC noted. It added that the Israeli government's involvement in "colonising" the occupied Arab territories will put the U.S. in the position of supporting an illegal activity.

The settlements, both inside Israel and in the occupied territories, would be used exclusively for the Jewish population. "Even if the money were used entirely inside Israel, Israeli policy and practices would prevent 17 per cent of its population (the Palestinians

living inside Israel) from receiving any benefits from this programme. As a result, the U.S. will be providing \$10 billion for the development of segregated housing," ADC said.

Condemning the Israeli settlement activity and considering it "specifically intended to prevent the possibility of territorial exchange," ADC says that examination of aid to Israel, cumulatively over the past twenty years, shows that aid to the Jewish state "dwarfs" all other U.S. foreign aid appropriations.

"Israel, with its population of under five million, receives more than the entire continent of Africa."

An analysis of the situation enabled the ADC to assess that besides "generating negative dynamics at home, in the Middle East and on the international level," the money granted to Israel could "enormously benefit" U.S. cities and states with "pressing social problems."

"Two billion dollars a year would provide housing for hundreds of thousands of poor Americans, including all our estimated 100,000 homeless children."

PLO leaders undecided

(Continued from page 1)

ings and the dominant trend inside the movement is calling for a positive resolution.

Meanwhile Mr. Arafat, who is also Fatah's leader, is said to have not made up his mind yet, although he is unlikely to allow a PNC resolution blocking the peace process.

Mr. Arafat is believed to favour a vaguely worded resolution that leaves him a broad margin of manoeuvring room. But some of his comrades in arms argue that this time the PLO cannot afford to get away with "an indecisive yes-no" resolution.

"Clarity is required. The sensitivity of the issue does not allow for an indecisive resolution," argued Mr. Hawatmeh. "Any mistake this time could be fatal."

The PFLP, which has also declared its rejection of the American terms, is also pressing for a clear yes or no position from the PNC.

"We are going to press for a very clear position by the PNC to confront

the American project," said Abu Ali Mustafa, the second-in-command of the PFLP.

Although most of the headline groups admit that the PLO might have no alternative but to accept Palestinian participation, the leadership in general has been very discouraged by the U.S. replies to clarifications asked by Palestinian leaders from the occupied territories.

"The U.S. replies to Palestinian demands for assurances meet the Israeli conditions and not the Palestinian demands," said Jamal Hilal, head of the PLO information department in Tunis and a leading member of the DFLP wing led by Mr. Abed Rabbo.

According to PLO officials, the U.S. has failed to satisfy the minimal PLO demands on the three important issues that could have signalled good will on the part of the administration: The U.S. did not agree to guarantee a freeze on Israeli settlements; Mr. Baker told the Palestinian leaders he met in the occupied territories that "the settlements were an

obstacle to peace."

The U.S. suggested the postponement of discussion on the status of Jerusalem to a later stage of the process and insisted that Jerusalem cannot be "divided."

The formula suggested by the U.S. concerning the Palestinian problem was viewed as less than satisfactory. The last offer made by the U.S., in the assurance, is that the U.S. supports self-determination as inalienable right for all nations but that it does not necessarily agree with the concept of self-determination as it is used and understood in the region i.e. statehood.

The PLO leadership viewed the three issues as a test for American intentions. Palestinian officials say that the gap on the more fundamental issues of United Nations resolutions and the functions of the suggested conference "are irreconcilable."

According to the PLO, the American side has refused to meet the Palestinian request for assurances that Security Council Resolution 242 means a complete Israeli withdrawal from the occupied territories. "We have not even received assurances that the implementation will at least lead to a partial withdrawal," said one PLO official.

The Palestinians have also asked that the suggested conference will be continuous until all aspects of the Arab-Israeli disputes are solved.

"But the Americans will not accept to give such assurances and insist that there should be no linkage between the various aspects of the conflict," Dr. Hilal said.

PLO officials fear that the U.S. will aim at getting separate peace agreements between the Arab states and Israel prior to an agreement on the Palestinian issue.

"The U.S. will then achieve its priority objective of bringing about the normalisation of Arab-Israeli relations without solving the Palestinian problem," Mr. Ali Mustafa warned.

The latest round of talks between Mr. Baker and Palestinian leaders in the occupied territories earlier this week and his meeting with Dr. Hanan Ashrawi in Amman on Friday have only served to harden positions at the PLO headquarters in Tunis.

That does not necessarily mean that the majority at the PNC will

reject Palestinian participation unless an alternative and feasible option is found to avoid the American-led process.

At this stage even the most sceptical PLO officials admit that the organisation might have no other alternative but to give peace a chance. Therefore, the vote might mainly be influenced by the lack of options rather than based on conviction that the peace conference will lead to a solution.

The PNC position will also be

influenced by the final decision of Fatah, the independent vote, the mood inside the occupied territories during the convening of the session and Arab and international pressures.

"I fear that the PLO leadership is in position to resist Arab and international pressures," said PLO Executive Committee member Abdullah Hwanani, who himself favours a qualified acceptance of Palestinian participation and believe that the American assurances are far from being sufficient.

DFLP move also reflects rift

(Continued from page 1)

position clearly and unequivocally," he said.

Mr. Hawatmeh, however, does not rule out the option of a joint delegation with Jordan provided that the basis of the peace conference involves a clear recognition of the Palestinian people's right to self-determination. "That should be reflected in the form of Palestinian representation and recognition of the Palestinian right to statehood," he said.

In practical terms, Mr. Hawatmeh will accept a joint Jordanian-Palestinian delegation provided it is clear that the Palestinian delegation represented the PLO and it was on equal footing with the Jordanian side of the joint delegation.

"That means there should be two flags and that the Palestinian delegation will decide its own negotiating position. But this is not what the Americans mean by a joint delegation. They are looking for Palestinian individuals and not Palestinian representatives of the Palestinian people," he argued.

"They do not want to accept a Palestinian delegation as such because they do not want to recognise Palestinian self-determination and national rights," he said.

Consequently any form of participation which negates PLO representation should be rejected, he said.

"Giving up representation is equal to giving up our national rights," he said stressing that his group will not be part of such a decision by the PNC.

In essence, Mr. Hawatmeh's posi-

tion is not very different from that of other groups such as the Popular Front for the Liberation of Palestine or George Habash or the rival DFLP leader, Mr. Abed Rabbo, but the others have chosen to attend the PNC.

PLO officials here were hoping that Mr. Hawatmeh could be dissuaded from his decision if the leadership was able to reach a mediated compromise to at least freeze the DFLP's differences until after the PNC session.

Both Mr. Hawatmeh and Mr. Abed Rabbo are vying for the leadership of the DFLP which has in the past played a crucial role in drawing up PLO policy and maintaining its unity.

Although differences between Mr. Hawatmeh and Mr. Abed Rabbo are said to be based on political disagreements, they both said this week that they do not accept Palestinian participation in the peace process according to the U.S. terms.

"We cannot take part in the peace process under the present American terms," Mr. Abed Rabbo told the Jordan Times Saturday.

Mr. Abed Rabbo's wing has also called for a clear PLO policy. But the apparent convergence of political stands on the eve of the PNC has not dampened the internal conflict.

By saying he was going to boycott the PNC, Mr. Hawatmeh has taken his opposition one step further. PLO officials here believe that Mr. Hawatmeh is trying to make the PLO leadership accept his demands for not recognising Mr. Abed Rabbo's wing as part of the DFLP in the PNC.

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THE Daily Crossword

by Frank R. Jackson

ACROSS

- 1 Nautical call
- 5 Accumulate
- 10 Gratitude
- 14 Newspaper section
- 15 Caught by a "bug"
- 15 Part of the day
- 17 Brooklyn Bum once
- 20 Acceleration
- 21 Tub necessary
- 22 Ponos de —
- 25 — whizz
- 26 Gullet
- 29 Sun-baked brick
- 31 Boy Scout group
- 36 Fruit drinks
- 38 Undivided
- 39 Canto kin
- 40 Fieno player once
- 43 Popular songs once
- 44 Garland
- 45 Top-drawer
- 46 Takes five
- 47 Equals
- 49 Kickin' part
- 50 Magle or Mineo
- 52 Card game
- 54 Riots
- 55 Ravine
- 62 Champion pugilist once
- 65 Astrering
- 66 Anglo-Saxon salute
- 67 Mild oath
- 68 Show sorrow
- 69 Beginnings
- 70 Disobey

DOWN

- 1 Curves
- 2 Caper's goal
- 3 Indian
- 4 Hayseed
- 5 St.
- 6 Wine measur
- 7 Mid-Eastern
- 8 Violous
- 9 Roofing material
- 10 Pronoun
- 11 Tiny quantity
- 12 Golf shot
- 13 Theatrical success sign
- 16 Brainstorm
- 19 Skum seccion
- 20 Svelts
- 24 Taboo
- 25 Important
- 27 An Astaire
- 29 Joins cleavly
- 30 Beauty at the ball
- 32 — avts
- 33 Holding a lead
- 34 Fresh air
- 35 Window sections
- 37 Narrow opening
- 38 Affected smile
- 41 "—, that's my baby"
- 42 Dregs
- 43 Give delight
- 44 Paint type
- 51 Rural area
- 53 Infused with color
- 54 Regulation
- 55 Chills and fever
- 56 Motes
- 57 Auld lang —
- 59 Violent anger
- 60 Staff of tennis
- 61 Whippool
- 62 Aidge
- 63 Preceded
- 64 Certain curve

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Yesterday's Puzzle Solved:

HAIR	GAIA	THREE
ELLA	GLIT	CELEST
LANDSLIDE	WALLS	
FREEZE	THE	WALLS
ATARI	ROSE	TRAP
BARBIS	OUT	RAMA
ASRA	THREE	HAIR
SPEED	ROD	RAIDERS
NEED	ANAL	ROD
STRA	OWN	
ALICIA	PREYBORN	
ALICE	HAIR	HAIR
BRILL	ROSE	ROSE
DAILY	THREE	THREE

Philippines to make sacrifices after rejection of U.S. treaty

MANILA (R) — The Philippines will implement austerity measures to save a crucial economic stabilisation programme after the rejection of a U.S. military bases treaty, Finance Secretary Jesus Estanislao has said.

He said adherence to the programme agreed with the International Monetary Fund (IMF) in exchange for a \$900 million package is the key to fresh loans from other agencies like the World Bank.

He said Manila will have to rely more on multilateral agencies to revive a stagnation economy because of the anticipated cut in financial assistance from bilateral sources as a result of the senate rejection of the bases treaty.

The senate recently shot down a treaty that would have allowed the United States to operate Subic Bay naval base for another 10 years in exchange for \$2.2 billion.

"With some erosion of goodwill, we can likewise afford less shippings in our IMF programme," Mr. Estanislao said in a memorandum to President Corason Aquino.

The IMF programme calls for increased revenues and lower spending in order to keep the

public sector deficit manageable.

"(There is a) much smaller room for tolerance of any slippages in our programme under the aegis of multilateral institutions, on which we will increasingly have to depend, to help offset the opportunities from bilateral sources we may now have to forego," Mr. Estanislao said.

Failure to meet IMF-set economic targets would mean the delay in the release of funds from the fund, triggering the suspension of loans from the Japanese government.

Mr. Estanislao said rejection of the treaty would result in the loss of base-related financial aid and other inflows while the dislocation of base workers would weigh heavily on the economy.

"The increases in the fiscal gap resulting from the loss in revenues and higher expenditures has exacerbated what is already an uncertain outlook in 1992," he said.

He did not say what the new revenue shortfall projections were but said at the start of the year the level was estimated at 33 billion pesos (\$1.2 billion).

"There will need to be a greater reliance on internally generated resources to close this fiscal gap, combined with any possible further belt-tightening," Mr. Estanislao said.

Barrier, he said the government needs new taxes, a drastic cut in spending and an accelerated sale of government assets for it to stay on track with the IMF programme.

The country's real gross national product shrank by 0.23 per cent in the first six months of the year compared with 5.8 per cent growth in the same period last year.

"The rejection of the treaty has made it even more difficult for the economy to function and benefit this country," said Mrs. Aquino's spokesman Tomas Gomez after a cabinet meeting to assess options following the senate rejection.

But economic Planning Secretary Cayetano Paderanga said loss of U.S. compensation for the bases would have only a short-term impact and could shave 0.5 per cent off the anticipated growth in gross national product next year of 3.9 per cent.

West backs Rao's reforms with \$6.7b aid to New Delhi

PARIS (R) — International donors Friday backed drastic economic reforms by new Indian Prime Minister Narasimha Rao by pledging \$6.7 billion in aid for the fiscal year ending March 31, 1992, the World Bank said.

In addition, India is likely to receive loans of about \$1.8 billion from the International Monetary Fund (IMF), it said in a statement. Some \$2.3 billion of the pledged aid will be in the form of fast-disbursing assistance.

"The participants expressed their strong support for the resolve, thoroughness and dispatch with which the new government has acted to introduce a comprehensive set of measures," the bank said after a two-day donors meeting it sponsored in Paris.

The bank said the aid followed directly from measures the government, in office for only two months, had taken to address what it called "an unprecedented balance of payments crisis."

Mr. Rao's government has devalued the rupee by 23 per cent against the dollar, tightened credit policy and adopted a budget designed to reduce the overall 1991/92 fiscal deficit to 6.5 per cent of gross domestic product, compared to nine per cent the year before, the World Bank noted.

It said the moves aimed to deal with the immediate liquidity crisis, reduce the budget deficit and finally to begin a long-term restructuring of the economy.

"The oil shock resulting from the Gulf war, coming at a time when accumulating large fiscal and balance of payments deficits were already generating economic pressures, triggered an unprecedented balance of payments crisis for India," it said.

Donors, including Japan, Germany, Britain, France and the United States, wanted to send a strong signal to the business community showing how far they supported the Indian government's economic reforms, the

bank added.

"The outcome of the meeting has surpassed our expectations taking into account the strong pressure on credit worldwide," the head of the Indian delegation to the talks, Finance Secretary Sriranga Shukla, said.

The aid pledges for 1991/92 represent an increase of \$400 million, or six per cent, over the previous year, he added.

Mr. Shukla told a news conference he did not expect India's aid requirements in the 1992/93 financial year to be any lower because India would still be in a phase of economic transition.

He said he had not calculated how much of the pledged amount would be grants, soft loans or project-tied credits. An Indian statement said \$2.2 billion of the commitments were from bilateral sources and \$4.5 billion from multilateral donors.

Mr. Shukla said Japan gave the biggest commitments. The Japanese embassy in New Delhi said Japan pledged 106.59 billion yen (\$790 million) in concessional loans for the fiscal year 1991/92 (July/June).

The Japanese loans carry an interest rate of 2.7 per cent and are repayable in 30 years, including a 10-year grace period.

Mr. Shukla said Germany and Britain were the next most generous.

Conference sources said before the key meeting Friday morning that Germany could pledge between 300 and 400 million marks (\$175 and \$235 million).

Mr. Shukla said more than half the German commitment was expected to be in quick loans, which would be available immediately.

There was a strong element of pure grant in the British and Swedish pledges, he said.

A British delegate said the former colonial power in India would be offering quick disbursing loans for the first time in several years.

Highly negative trade figure keeps U.S. recovery weak

WASHINGTON (Agencies) — America's foreign trade deficit took a sharp turn for the worse in July as imports of foreign cars, clothing and televisions soared while exports showed only a slight improvement, the government has said.

The Commerce Department said the July trade gap climbed to \$5.9 billion, the biggest imbalance since January. It was 55.6 per cent higher than a revised June deficit figure of \$3.79 billion.

Bush administration officials contended that the report did not shake their belief that export growth will be a major factor helping to lift the country out of the recession.

But in the view of many private economists, the worsening trade performance added one more negative to a recovery already expected to be one of the weakest on record.

Imports, reflecting increased shipments of a variety of consumer products, jumped 6.2 per cent to \$41.17 billion while exports edged up 0.8 per cent to \$35.27 billion in July.

Commerce Secretary Robert Moshbacher said the increase pushed exports to their third highest level ever, a gain that he said reflected in part an administrative initiative to get small and medium-sized businesses interested in selling overseas.

But private economists noted that the small July gain followed two straight months of declines and that all the improvement was concentrated in farm products and raw materials, not in manufactured goods.

"One of the most pessimistic things in this report is that manufacturing exports fell by eight per cent," said Robert Brusca, chief economist at Nikko Securities in New York. "I don't think trade is going to be of much help to the overall economy."

The boom in exports over the last two years played a major role in softening the severity of the recession, which began in July 1990. But with some of America's major overseas markets showing economic weaknesses, analysts believe that export growth will slow to a crawl in coming months.

Economists were puzzled by the big jump in imports given the fact that consumer demand has been so weak this year. Retail sales fell in August following a lackluster back-to-school selling period and analysts are not optimistic of a pickup in demand anytime soon, given persistent layoffs in recent weeks and continued high unemployment levels.

In a second economic report, the Labour Department said the number of Americans filing new claims for unemployment be-

nefits totalled 402,000 in the first week in September, a decline of 17,000 from the preceding week.

Analysts dismissed much of the improvement as merely a reflection of a holiday-shortened week in which laid off workers had one less day in which to file for benefits. The analysis noted that the latest four-week average for jobless benefits was still up from the previous four-week period.

"The evidence is just overwhelmingly clear that this recovery is stuck," said John Albertine, head of a Washington economic consulting firm. "We're not going to be able to look to the American export sector as a source of great strength to drive the economic forward."

The \$3.79 billion June trade deficit had been the smallest monthly imbalance in more than eight years and analysts said that record was likely to stand for some time given their view that the trade deficit will start growing again.

So far this year, the deficit has been running at an annual rate of \$61.6 billion, the best showing since 1983, the last year the country had a deficit below \$100 billion.

Economists have maintained all along that much of this year's improvement was temporary, reflecting the dampening effect of the recession on domestic demand, a view borne out by July's big jump in imports.

Auto imports climbed by \$600 million, apparel and textile imports rose by \$300 million, computer imports rose by \$150 million and foreign televisions and other electronic products increased by \$75 million.

Oil imports actually fell slightly in July, edging down 1.4 per cent to \$3.99 billion. The drop reflected a decline in volume and price.

The number of barrels of oil imported fell to 5.89 million per day, down from 6.23 million in June, while the average price dropped to \$16.08, compared to \$16.39 in June.

The small increase in exports reflected a 10.8 per cent rise in farm products and a 4.8 per cent increase in sales of industrial supplies.

Shipments of manufactured capital goods fell by 4.5 per cent, a drop of \$700 million in July, with a variety of high-technology items from aircraft to computers all showing declines.

As usual, the largest trade deficit was with Japan, a gap of \$3.8 billion and up from \$3.2 billion. Other big deficits were recorded with China, \$1.3 billion; Taiwan, \$900 million and Canada, \$500 million.

The United States ran a small surplus with the 12-nation European Community of \$206 million.

Meanwhile, the White House's chief economic guru said the United States was in only a modest recovery from recession.

Michael Boskin, chairman of the Council of Economic Advisors, said the United States was dogged by worries over the sluggish growth in the money supply,



Michael Boskin tight credit and soft export markets.

Time Warner to cut 605 magazine jobs

NEW YORK (R) — Time Warner Inc., the media giant that owns the biggest magazine company in the United States, has said it was cutting 605 jobs in its magazine division, more than 10 per cent of the work force.

The company announced it was also taking a \$60 million charge to pay for the move.

The cuts, including 105 editorial jobs, are the single-biggest ever for the magazine division, which was founded by Henry Luce in 1923 and quickly built a reputation of looking after its employees.

"It's changed now," said a staff member at one magazine. "It's not the paternalistic company it was in the old days."

The company said it made the cutbacks because of the tough publishing climate and would save more than \$30 million a year from the move. Its stable of magazines includes Time, People, Sports Illustrated, Life, and Fortune.

They are among the nation's best selling publications and employed some 6,000 people. With the editorial cutbacks and 500 lay offs on the production, advertising and management side of the business that were previously made, the unit is shrinking by more than 10 per cent.

Like many publishing companies, Time Warner has been suffering from a deep advertising slump.

Canada offers large credit to Iran

NICOSIA (R) — Iran and Canada signed a letter of understanding on economic cooperation after Iran offered Iran a billion Canadian dollars (\$880 million) in credit, the Iranian news agency IRNA has said.

Canada's minister of industry, science, technology and international trade, Michael Wilson, was in Tehran a few days ago to drum up business for Canadian firms in Iran's reconstruction programme following the 1980-88 Iran-Iraq war.

Mr. Wilson told Iran's central bank governor, Mohammad Hossein Adeli, that Canada could offer Iran a billion dollars in short and medium term credits to spur trade and economic ties, IRNA said.

Mr. Wilson's mission followed visits by a string of West European ministers to Tehran this year to build up trade and industrial links as Iran turned to the West for help to revive its troubled economy.

Iran's ties with Canada have been improving since July 1988 when Canada reopened its embassy in Tehran.

Mr. Wilson told IRNA that he had discussed with Iranian ministers the establishment of an air link between Iran and Canada, transfer of technology and educational cooperation and sending of Iranian students to Canada.

The talks with the Canadian team, including representatives of 20 Canadian firms, focused on joint ventures to manufacture cars, iron and steel industries, engineering technology, railway car manufacturing and urban transportation systems, IRNA said.

Finance Minister Mohsen Nourbakhsh, who signed the agreement with Mr. Wilson, urged Canada to increase imports of non-oil Iranian goods to improve the lop-sided balance of trade.

Mr. Wilson also held talks with ministers of agriculture and heavy industry and said Canada viewed Iran as a potential base for exporting jointly manufactured products to the region.

Bank group offers Algeria \$1.1 billion debt refinancing

PARIS (R) — Debt-laden Algeria may have won temporary relief after an offer Friday by a group of eight banks to refinance \$1.1 billion of its medium-term debt.

A spokesman for French bank Credit Lyonnais said: "A plan to refinance part of the medium-term debt of the large Algerian borrowers for an amount of about \$1.1 billion was submitted... to Algiers, from where we are awaiting a reply."

He said the offer did not involve new money.

Three-quarters of Algeria's total foreign debt of about \$25 billion is due to be repaid by the end of 1993, creating enormous strains on the economy.

Banks have been extremely reluctant to advance fresh funds and Prime Minister Sid Ahmed Ghazali has set his face against a formal rescheduling of the debt.

But, after a visit to Algiers in July, French Finance Minister Pierre Berezgony asked state-owned Credit Lyonnais to work on a deal to refinance Algeria's commercial debt to tide it over the severe bunching of its repayments.

The spokesman said the eight banks in the consortium which made Friday's offer were Credit Lyonnais, fellow French state-

owned bank Banque Nationale de Paris, Chase Manhattan of the United States, Arab Banking Corporation, Union de Banques Arabes et Francaises and three Japanese banks, Mitsui-Taiyo Kobe, Long-Term Credit Bank and the Industrial Bank of Japan. He declined to give further details of the offer.

Speculation in the past month on what the banks might offer Algeria had centred on a credit of at least \$1 billion, in one or more tranches, perhaps guaranteed by French government zero coupon (non-interest bearing) bonds. A similar deal fell through last year.

Sources said last month the banks could agree to provide the sort of deal they came up with for Colombia in which refinancing allowed short-term debt to be rolled over.

The Credit Lyonnais spokesman said the banks expected a reply from Algiers next week.

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Army continues to pound Croatia

ZAGREB (R) — The Yugoslav army rejected a Croatian offer to defuse the country's widening conflict Saturday and pounded the breakaway republic with tanks, guns and planes.

The Croatian presidential office said Federal Defence Minister Veljko Kadijevic rejected an offer from President Franjo Tudjman to lift partially a blockade of army barracks in Croatia if the army halted its massive offensive.

Heavy fighting was reported in eastern Croatia where hundreds of army tanks tightened a ring of steel around the Croatian towns of Vukovar, Osijek and Vinkovci.

Federal warplanes twice bombed the Adriatic port of Sibenik and artillery pounded the Dalmatian coastal highway in a bid to cut it and isolate the town, Croatia's Information Ministry said.

People rushed to shelters in Zagreb, the Croatian capital, as air raid sirens wailed, but there was no immediate attack.

Mr. Tudjman offered Friday night to ease the blockade of army barracks as his forces reeled on the first day of the offensive launched by hundreds of army tanks and thousands of troops.

Mr. Tudjman said he would restore supplies of water, electricity and food to the army bases, besieged for a week, if troops halted their onslaught at midnight Friday.

Mr. Tudjman's foreign policy adviser Mario Nobilo said Gen.

Kadijevic's refusal meant the army wanted to continue massive attacks to force Croatia to surrender.

"He is again repeating his previous position, namely demanding that we surrender practically and then we will withdraw. He is saying: 'You do it first and then we will consider'," Mr. Nobilo told Reuters.

"This is just an excuse for unselective retaliation against civilian targets," he said.

Taojuc News Agency said Gen. Kadijevic replied to Mr. Tudjman that the Croatian blockade breached a European Community (EC)-sponsored ceasefire accord brokered by former British Foreign Secretary Lord Carrington.

The Croatian presidential office said the republic's government would meet in emergency session later Saturday to consider its response to the army's thrust into its territory.

Geo. Kadijevic told British ITN television Friday the Croatian blockade had exhausted the army's patience and it had launched the offensive to relieve the blockaded barracks.

The onslaught drove the last nail into the coffin of the EC peace accord and the mounting violence prompted international appeals for the United Nations to intercede to end the conflict.

The huge offensive began Friday morning with tanks and other army vehicles moving from the Serbian border to encircle the

eastern Croatian towns of Vukovar, Osijek and Vinkovci.

Croatian Radio said Croatian forces blocked tanks trying to reach the Serbian-inhabited village of Mirkovci, near Vinkovci, but Belgrade Radio said 20 tanks reached the village.

Croatia's Information Ministry said warplanes twice bombed Sibenik while guns pounded a nearby bridge to cut the coastal highway and isolate the city.

The radio station at Split, Croatia's main Adriatic port, issued a desperate appeal to the world to stop the war.

But the conflict appeared likely to spread as people in Bosnia-Herzegovina blocked army columns from passing through to Croatia.

Bosnia's presidency ordered a mobilisation of the republic's forces and demanded that the troops, mostly reservists from Serbia and Montenegro, withdraw.

Belgium Saturday called for the European Community to impose sanctions against Serbia, including a possible naval blockade if Yugoslavia's biggest republic were simply to take over Croatia.

"We can never accept the disappearance of Croatia, nor the use of force to redraw internal borders," Belgian Foreign Minister Mark Eyskens told state radio. "This can only happen through negotiations."

"We will have to consider sanctions against Serbia, the end of all

cooperation with the EC, an embargo on oil products... perhaps a blockade of ports, as we did with Iraq," Mr. Eyskens said.

"A country that is so isolated cannot survive in the long-term, but it would take time," Mr. Eyskens said.

The Yugoslav federation was dead, he said. A "greater Serbia" was likely to emerge as the dominant force.

France said Saturday it would call a meeting of United Nations Security Council foreign ministers next week to discuss the Yugoslav crisis.

"Given the gravity of the situation, Foreign Minister Roland Dumas has sent a message to his colleagues of the U.N. Security Council member countries telling them he planned to call a ministerial meeting next week," the Foreign Ministry said in a statement.

At the end of a three-day visit to Germany Friday, French President Francois Mitterrand called for an urgent session of the Security Council to deal with the crisis.

French Ambassador Jean-Bernard Merimee, this month's council president, said Friday he would consult his colleagues individually on how to respond to mounting calls for U.N. involvement in the crisis.

But Mr. Merimee, speaking after a closed-door meeting of all 15 council members, set no immediate date for another session.

Cambodians solve all problems blocking peace

UNITED NATIONS (AP) — Prince Norodom Sihanouk said Friday that the Cambodian government and the guerrilla factions have solved all the problems blocking a peace accord that will end decades of civil war.

The five permanent Security Council members Friday gave their approval to a compromise plan for multi-party elections adopted by Cambodia's government and the three guerrilla factions.

The compromise removed the last major obstacle to a comprehensive peace agreement, and the approval by the United States, Britain, France, Soviet Union and China brings the warring Cambodian parties a step closer to signing a final accord.

"We have solved all the problems which are in the framework of the draft peace agreement of the permanent five," Prince Sihanouk said when he arrived at U.N. Headquarters to meet with the secretary-general.

The Paris peace conference, co-hosted by France and Indonesia, is set to meet again late next month to seek an accord to end nearly two decades of fighting in Cambodia.

The Communist Khmer Rouge guerrillas took power in 1975, only to be driven out four years later — after conducting a brutal reformation of Cambodian society — by Vietnamese troops. Since then the Khmer Rouge and two other guerrilla factions have been fighting the Vietnamese-installed government in Phnom Penh.

The permanent five Security Council members have been working together for more than a year to try to settle the Cambodian civil war.

Later Friday, the five permanent members continued discussing details with the Cambodians on how the United Nations will assist them in disarming 70 per cent of the Cambodian army and the guerrilla forces.

Diplomats said privately that the discussions were technical and procedural, and did not pose any threat to progress towards a final accord.

On Thursday, the Cambodian government and guerrilla factions adopted a compromise.

Armenians vote on independence

YEREVAN (R) — Armenians swarmed to the polls Saturday in a referendum that was expected to show overwhelming support for independence after 71 years of Kremlin rule.

Polling stations across the southern Soviet republic — some blaring Armenian music, others decked with red-blue-and-orange national flags — opened before sunrise.

"This is an historic day and a very emotional moment for me," said Armenian President Levon Ter-Petrosyan, as he cast his vote.

"But it is more than that. Independence is a political act against which there is no argument."

Twelve Soviet republics have broken with Moscow or declared their independence — many to protect the local leadership from the chaos in the Kremlin after last month's failed coup.

Soviet leaders are bogged down in efforts to resolve ethnic violence that has accompanied a general upsurge in nationalism.

Armenians are at the centre of the bloodiest conflict, a territorial dispute over Nagorno-Karabakh, an enclave in neighbouring Azerbaijan populated mostly by Armenians.

Illness forced Russian President Boris Yeltsin to call off the trip to the disputed region of Nagorno-Karabakh Saturday to act as a mediator, an independent Azeri News Agency said.

The Assa-Irida agency said representatives of the rival Armenian and Azeri communities there would instead fly to the Azerbaijan capital Baku to meet Mr. Yeltsin and his delegation.

Mr. Yeltsin was to have flown to Stepanakert in Nagorno-Karabakh, an Armenian-majority territory in Armenia, from Baku Saturday.

"Our correspondent was told by official sources that the Armenian-Azeri delegation would fly to Baku to meet Yeltsin and his delegation because of Yeltsin's health," an agency spokesman told Reuters.

In Stepanakert, a military spokesman confirmed the delegation was due to fly out later Saturday and that Mr. Yeltsin's aides had informed local officials about his illness.

There was no further information on Mr. Yeltsin's health. On Wednesday he left his office early after suffering what aides said was a minor heart problem, and



Boris Yeltsin

subsequently did not appear during two days of the Russian parliament.

Kazakh President Nursultan Nazarbayev, who is accompanying Mr. Yeltsin, told the Soviet News Agency (TASS) in Baku: "It would be naive to expect quick results from this trip. The process of reconciliation is long and complex and we have to recognise this reality."

Mr. Yeltsin and Mr. Nazarbayev, joined by Soviet Interior Minister Viktor Baranikov, were due in Yerevan for talks later Saturday, part of a whirlwind diplomatic effort that includes a new proposal from President Mikhail Gorbachev.

Press reports say Mr. Gorbachev will call for restoration of regional authority, local elections, disarming of armed groups and negotiations under Moscow's sponsorship between warring militants.

Since 1988, more than 800 people have died in clashes in Nagorno-Karabakh.

In Yerevan, however, all eyes were on the promise of Armenian statehood.

"This is the first time in my life, and I am nearly 70, that I have ever voted with pleasure," said accountant Gevorg Gevorgyan, as he cast his vote for independence.

"We are throwing off the Kremlin chains. The Communist Party, the politburo, the KGB — we don't want them."

"It's this I don't want," said another voter, pointing at the Soviet passport that gave her the right to vote for Armenian statehood.

Government officials predicted 93 per cent of voters would say yes, hoping to regain the freedom Armenia enjoyed between 1918 and 1920.

Voters interviewed at polling stations said they had voted for independence and flashed wide smiles and victory signs.

Preliminary results were expected early Sunday and official results a day later.

Defence minister says Kremlin will control all nuclear weapons

MSCOW (AP) — The Kremlin will control all Soviet nuclear weapons but may depend on republics for manpower and management of a smaller, reformed armed service, the defence minister has predicted.

Marshal Yevgey Shaposhnikov laid out for reporters his vision of a revamped military that is emerging in talks with the 12 Soviet republics following the failed Aug. 18-21 coup. In a break with tradition, the air force marshal appeared at the new conference in a blue suit rather than uniform, apparently to underline his commitment to reform.

Marshal Shaposhnikov also called for deeper cuts to tactical nuclear weapons, but argued against military budget cuts because of redeployment costs and the need to maintain a technological balance with other countries.

Marshal Shaposhnikov said talks last week were fruitful with representatives from all but three republics — the Baltics — on preserving central military command over the collapsing union and its weapons.

He repeated his promise to pull hundreds of thousands of troops from the newly independent states in 1994, and added that Soviets already have removed all nuclear weapons from the region.

"The Baltics could facilitate the withdrawal by understanding the problems that we have and help us ... with housing projects

and resettlement," Marshal Shaposhnikov said. "There should be a civilised approach."

Baltic officials have demanded withdrawal of the Soviet military but have not commented on resettlement help or other measures.

Marshal Shaposhnikov sought to calm persistent fears that the huge Soviet nuclear stockpile would fall out of Kremlin control. "Nuclear weapons must be within the purview of the centre," he said.

He played down comments last week by Kazakhstan President Nursultan Nazarbayev that the republic would keep control over nuclear weapons there.

"I talked to (Nazarbayev) after the reports came out and his intention was not quite the way it was reflected in the press,"

Marshal Shaposhnikov also said Ukrainian leaders have backed off demands for removal of nuclear weapons from their republic after Soviet officials "explained how much the removal will cost them."

Though having little control over the nuclear weapons, Shaposhnikov said the republics would have voice in running the Defence Ministry. The president's defence council, many of whose members took part in the coup, should be revamped to include republic officials, he said.

As well, the ministry's advisory body called the Collegium could include the republics' defence

chiefs.

The proposals would be presented to the interim ruling state council this month and could be ready for implementation by next year, he said.

Marshal Shaposhnikov suggested that some republics, particularly the Ukraine, could let their newly formed militaries work with the Soviet military as a reserve force.

"We'll continue to have a common military space and air space," he said. "But I do not rule out the possibility of creating a republic army — a National Guard — of about 2,000-3,000 men."

The Soviet military currently has an estimated 5 million men. Marshal Shaposhnikov said it eventually could be reduced to about 3 million.

Marshal Shaposhnikov urged deeper cuts in arms talks. "The Soviet Union is prepared to continue reductions on strategic defences and should start to deal with tactical weapons ... in Europe," Marshal Shaposhnikov said.

However, Marshal Shaposhnikov said the Soviet military still had to pay for redeployment and resettlement of millions of soldiers, officers and weapons. He said the military needed every kopeck in its budget and took issue with critics who say "let us remove that monster called the military-industrial complex and everything will be alright."

Philippine Communist rebels end ceasefire

MANILA (R) — Communist rebels, accusing President Corason Aquino's government of conspiring to keep U.S. troops in the Philippines, said they would end a unilateral ceasefire, at Sunday midnight.

The Communist-led National Democratic Front (NDF), in a statement sent to news organisations, said Saturday that the Philippine Armed Forces had failed to reciprocate last week's ceasefire offer.

The rebels, fighting a 22-year insurgency in the Philippines, announced the ceasefire to celebrate rejection by the Senate of a new military bases treaty with the United States.

Japanese divers search for trapped workers

TOKYO (R) — Divers plunged again and again Saturday in an increasingly desperate search for seven construction workers trapped for two days in a flooded tunnel in eastern Japan, police said.

Eighteen divers were working in pitch blackness, feeling their way along the drainage ditch filled with 80,000 tonnes of muddy water, a police spokesman said. They had so far found no sign of the missing men, he said. The police spokesman refused "for humanitarian reasons" to acknowledge that the seven were probably dead.

The 1.5 kilometre tunnel was flooded Thursday at the height of torrential rains brought by typhoon Luke, when a landslide triggered by a swollen river buried part of the construction site at Matsudo, near Tokyo. Apart from the seven workers still unaccounted for, the toll from typhoon Luke's violent passage through eastern Japan stood at eight people confirmed dead and three missing. Luke was downgraded to a temperate low pressure zone Friday.

WORLD NEWS IN BRIEF

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Amnesty to probe U.S. police brutality

LONDON (AP) — Representatives of Amnesty International, the human rights organisation, said Friday they would investigate allegations of brutality by Los Angeles police. The probe follows complaints about police behaviour arising from the beating of Rodney King, a black motorist, during a routine traffic stop in March. Four white police officers are awaiting trial on charges of assault after the incident. Other officers have been suspended from the police department. A three-member Amnesty International fact-finding team plans to arrive in Los Angeles and stay for a week.

Khaleda takes defence portfolio

DHAKA (AP) — Prime Minister Khaleda Zia has assigned herself the post of defence minister in the country's newly reintroduced parliamentary system, her office said Friday. Mrs. Zia, the first woman to lead this predominantly Muslim nation of 110 million people, was sworn in Thursday, replacing 16 years of presidential and military governments that concentrated power in a single leader. She assigned posts in her 40-member cabinet late Thursday, also giving herself the establishment and cabinet division portfolios. Foreign Minister Mostafizur Rahman and Finance Minister Saifur Rahman retained their posts. The defence portfolio has been held by acting President Shahabuddin Ahmad since former President Mohammad Ershad, who took power in a 1982 coup, was toppled last year. Under the new parliamentary system, the president's post is ceremonial.

Fresh floods in Vietnam kill 25

HANOI (R) — Severe flooding in Vietnam's fertile Mekong River delta has killed at least 25 people and set off panic buying of rice because of fears of shortages, according to an official report Saturday. The Vietnam News Agency (VNA) said the floods, described as the worst since 1978, had already affected five of the six southern provinces in "the plain of reeds," the country's main rice-growing area. Floods could hit new areas next week if a key highway now serving as a natural embankment gives way, it said. The floods have already killed at least 25 people, as well as destroying some 50,000 houses, schools and village infirmaries and swamping 110,000 hectares (275,000 acres) of rice paddies and orchards, the agency said.

Papandreou hospitalised

ATHENS (AP) — Former Socialist Premier Andreas Papandreou was hospitalised Friday after failing to shake off a lingering cold, his party said. Mr. Papandreou was admitted to Athens General Hospital "for observation after failing to overcome the cold," a statement from his Panhellenic Socialist Movement (PASOK) said. A PASOK spokesman said Mr. Papandreou was in the intensive care ward. He would not comment on reports that Mr. Papandreou developed pneumonia. A hospital spokesman would not comment on Mr. Papandreou's illness, his condition or how long he will remain in the hospital. A police source said a security detail will remain at the hospital for the weekend.

Greece abolishes Tourism Ministry

ATHENS (AP) — Premier Constantine Mitsotakis has abolished Greece's Tourism Ministry, his spokesman said. "The premier has already signed the order," government spokesman Vyrion Polydoras said. The spokesman did not say why Mr. Mitsotakis did away with the ministry. The move shrinks the number of cabinet posts to 19. However, the size of the current cabinet will not immediately change, since the tourism portfolio was held by the Minister of National Economy. The ministry was in charge of promoting Greece abroad and regulating resorts, hotels and other tourism-related businesses. The government has said the National Economy Ministry will assume most of its functions, but has not elaborated further. Mr. Mitsotakis fired Tourism Minister Ioannis Kefaloyiannis on Sept. 2 after he disagreed with controversial legislation allowing developers to build on protected beachfronts. He was the first cabinet member fired by Mr. Mitsotakis since his conservative New Democracy Party was elected 17 months ago. Mr. Kefaloyiannis was reappointed to tourism minister after a government reshuffle on Aug. 7.

Greece releases newspaper editors

ATHENS (AP) — Seven newspaper editors sentenced to up to 10 months each for violating an anti-terrorist law were released from prison Friday after two press unions bought off their terms by paying fines. "We will continue to do our jobs without interference," said Seraphim Fytanides, managing editor of the respected liberal daily Eleftherotipia, as he left prison. The seven editors, whose newspapers represent half of Greece's readership, were convicted and sentenced on Sept. 9 for publishing terrorist statements to challenge the law which they say imposes censorship. They were released after the Athens Journalists Union and the Athens Publishers Union paid a 3.1 million drachma (\$16,300) fine. In Greece jail terms can be bought off with a fine in certain cases.

Haiti cabinet reshuffled

PORT-AU-PRINCE (R) — The Haitian government said Friday it reshuffled its cabinet, replacing ministers for foreign affairs and health. Jean Robert Sabat, who formerly headed Haiti's electoral board, became foreign minister. He replaced Denise Fabien Jean-Louis, a medical doctor. The government also named Dr. Claude Jean Francois as the new health minister, replacing Dr. Daniel Henry. The new structure, the second carried out since President Jean Bertrand Aristide came to power last February, was brought about by Mr. Henry's firing a team of eight doctors close to Mr. Aristide, according to a source close to the government. Dr. Jean-Louis was fired because she is the wife of one of the fired doctors, the source said.

COLUMN

Kuwaiti embassy employee charged with rape

WASHINGTON (R) — A Kuwaiti embassy clerk was arrested for alleged raping an employee of a Washington luxury hotel while staying in the hotel, police said. Walid Azab Al Uzizi, 25, "raped a female employee of a downtown hotel in his room" and was arrested, a police spokesman said. The Kuwaiti embassy had no immediate comment on the incident. Diplomatic immunity is sharply limited under local law and applies on to top diplomats. It does not cover crimes such as sexual assault. The alleged rape took place at the luxury Willard Hotel, two blocks from the White House. The hotel, first built in 1816 and reopened in 1986 after a renovation, has hosted 10 presidents and visiting royalty during its long history.

Elk fires first at Swedish hunter

STOCKHOLM (R) — A female elk ambushed a Swedish hunter and fired a shot before making a quick getaway, a newspaper reported Friday. Hunter Arne Eriksson told the newspaper Expressen he was standing by a tree with his safety-catch off when the animal "came from the wrong direction and I had no chance to move."

U.S. slips in infant mortality rankings

ATLANTA (R) — The United States has fallen further behind Japan and other developed nations in infant death rates, the U.S. centres for Disease Control (CDC) said. The government health agency, in its "morbidity and mortality weekly report," said it found 10 babies died for every 1,000 live births in the United States in 1988, the most recent year for which final U.S. statistics are available. This was an improvement over the rate of 10.1 in 1987. But the CDC added its latest country-by-country comparisons based on 1987 figures showed the United States now ranked only 24th in the world for lowest infant mortality rates compared with 22nd the prior year. Japan, it said, continued to lead the world with the lowest rate of infant deaths at 5.0 per 1,000 live births while Sweden rose from third to second place, with a rate of 5.7 deaths. The United States dropped to 24th in the ranking due to improved infant mortality rates in Italy and Belgium. Among the top 30 nations and regions covered, only Israel, Greece, Czechoslovakia, Cuba, Puerto Rico and Portugal had higher infant death rates than the United States. The new report also said black babies born in the United States were more than twice as likely to die as white infants with 17.6 deaths per 1,000 live births among blacks versus 8.5 for every 1,000 live births among whites.

Shock treatment for Pope's pigeons

VATICAN CITY (R) — St. Francis of Assisi may have loved birds but he didn't have the world's largest Christian church to keep free to pigeon droppings. After years of aerial bombardment, the Vatican has installed low-voltage electrical wire to prevent pigeons from damaging marble decorations at the entrance to St. Peter's Basilica. Officials said Thursday the electric shocks did not harm the birds but forced them to go outside into St. Peter's Square.

Danish court staff complain about queen

COPENHAGEN (R) — Staff at the Danish Court have complained to the human rights commission in Strasbourg because Queen Margrethe will not give them a formal pay agreement, their lawyer said. "They are not complaining about the pay itself," said the lawyer, Joergen Jacobsen, "but they don't want their wages and working conditions to be fixed arbitrarily as if we were still in the middle ages." The 50 staff took their case to Strasbourg after a Danish industrial relations court ruled last April that it could not intervene because the queen has immunity under the constitution. Their complaint urges the commission to act under an article which protects the right to form trade unions. "We say this right must include the right to negotiate pay and conditions, not just to arrange a party or a badminton tournament," said Mr. Jacobsen.